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OFFICIAL REPORT AITHISG OIFIGEIL

Meeting of the Parliament (Hybrid)

Wednesday 21 September 2022



Session 6

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Scottish Parliament

Wednesday 21 September 2022

[The Presiding Officer opened the meeting at 14:00]

Topical Question Time

The Presiding Officer (Alison Johnstone): Good afternoon. The first item of business is topical question time. In order to get in as many members as possible, I would be grateful for short and succinct questions and responses.

Short-term Lets Legislation

1. **Miles Briggs (Lothian) (Con):** To ask the Scottish Government what analysis it has carried out regarding the implementation and potential impact of short-term lets legislation. (S6T-00856)

The Cabinet Secretary for Social Justice, Housing and Local Government (Shona Robison): In December 2020, we published six different impact assessments, which, along with a separate business regulatory impact assessment, were informed by evidence and information from partners and stakeholders. They set out analysis on the likely costs, risks and benefits of short-term let sector regulation.

We will continue to work with local authorities and, in the summer of 2023, we will review levels of short-term let activity in hotspot areas to assess how the actions that we are taking are working and to ensure that there are no unintended consequences.

Miles Briggs: I know that the cabinet secretary is acutely aware of the concerns that have been expressed, especially by class 7 guest houses and bed and breakfasts that have been included in the scheme by some councils when they should have been excluded. Indeed, many councils do not even have teams in place to do the work.

Like many small businesses, those that provide short-term lets are still to recover from the Covid pandemic. The Association of Scotland's Self-Caterers has warned that the Scottish Government's legislation will have a negative impact on the sector, and it is now calling for the implementation of the legislation to be delayed. With that in mind, will the cabinet secretary agree to delay the legislation and take on board the growing concerns about the negative impact that it will have?

Shona Robison: Let me deal with all of those points. On the calls for a delay, as the member knows, we have introduced licensing to ensure, first and foremost, that there are mandatory safety

standards for short-term lets across Scotland. Of course, the scheme also provides local authorities with powers to introduce additional licensing conditions in order to address issues of concern in their local area. As the member will also know, many short-term lets already comply with those conditions. For those that do not, it is important that those conditions are met as soon as possible to ensure a level playing field and safety across Scotland. There is a transition period for existing operators, which have until 1 April 2023 to apply for a licence and may continue to operate while their licence is being determined.

Miles Briggs mentioned guest houses specifically. I am happy to deal with that issue, because it is important to provide clarity. The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022 does not reference planning use classes. Schedule 1 lists excluded accommodation, which includes hotels with

"planning permission granted for use as a hotel",

but it does not list as an exclusion guest houses with planning permission granted for use as a guest house. Therefore, to be clear, unless otherwise excluded by any of the criteria set out in schedule 1 to the licensing order, short-term let accommodation, including guest houses, will require a licence to operate. We have been clear about that for quite some time—certainly since June 2021—so I hope that there is no misunderstanding in that regard.

On the issue of promotion, we will ensure that a campaign runs from October to put clear information in the public domain. I have also written to local authority housing conveners and chief executives to remind them of their duty to establish short-term let licensing schemes by 1 October.

Miles Briggs: I thank the cabinet secretary for that answer, but I think that it is a complacent one, given the inconsistent implementation of the Government's legislation across local authorities. For example, the Deputy First Minister has been telling guest houses in his constituency that they are exempt. The Scottish Government is clearly not giving the right information to constituents and businesses. It is clear from what the cabinet secretary has said today that the scheme needs a bit of time to work properly and to bed in.

I go back to the key point in my question: does the cabinet secretary not realise now that the legislation is a mess and that there needs to be a pause for councils to implement it properly, especially given that many have not yet even employed the staff who will be tasked with its implementation?

Shona Robison: First, I do not accept that description of the legislation. We have had

numerous consultations on it; Parliament has had ample time to scrutinise it; and widespread consultation has taken place, as well as there being stakeholder input through the stakeholder implementation group.

The member mentioned inconsistencies. This year, we have worked with Scotland's Housing Network and officials from across all local authorities to plan for the implementation of the licensing scheme, which has involved discussing different local approaches in order to understand their rationale and facilitate common processes where possible. As I mentioned earlier, there is local variation because of variations in local need, but we have tried where possible to ensure that common processes are in place, as well as simple online information and application processes that should be straightforward for applicants to follow.

Paul McLennan (East Lothian) (SNP): During the Local Government, Housing and Planning Committee's scrutiny of the short-term lets licensing scheme, most councils, especially those with tourism hotspots, expressed support or enthusiasm for the plans. With the new measures, does the cabinet secretary believe that councils will feel more empowered to balance tourism with the needs of local communities?

Shona Robison: Yes. Local communities have told us over many years about their safety concerns and the impact that the concentration of short-term lets can have on communities and housing availability. The regulation of short-term lets is appropriate for the whole of Scotland and offers considerable flexibility to local authorities around its implementation.

Licensing will allow councils and communities to take action to manage issues more effectively without unduly curtailing some of the benefits of short-term lets for hosting visitors and for the Scottish economy. However, we need to ensure that those lets are safe and that people who provide them are suitable, fit and proper. I am surprised that anyone could disagree with that point.

Sarah Boyack (Lothian) (Lab): I refer members to my entry in the register of interests.

While we have waited for the Scottish National Party Government to act on short-term lets, thousands of homes have been lost in Edinburgh. Labour-led City of Edinburgh Council has implemented the new rules as quickly as possible, but more than £3 million has been lost to the public purse in Edinburgh in the past financial year alone, because of the loophole that still exists through which short-term let owners can move to business rates and receive the 100 per cent small business bonus scheme discount. Given that the Scottish Government committed years ago to reviewing the tax treatment of shortterm lets, what progress has been made on that review and when will it be completed?

Shona Robison: In the interests of fairness, Sarah Boyack should recognise that much of the groundwork was actually done under the previous administration in Edinburgh, and completed under the current one. Anyone giving a fair analysis would recognise that point.

We were happy to give ministerial approval for the short-term let control area proposal that was brought forward after due consultation. Local authorities had to consult their communities, and that consultation was welcome. Of course, such a process takes time, but it is the right thing to do—if we had not put it in, members would be raising concerns about the lack of consultation locally. It is the right balance and it is important to get that right.

On the issue of taxation, we have taken steps to ensure that self-catering properties are correctly classified on the valuation roll for non-domestic rates purposes. From 1 April 2022, premises are now required to be actually let for at least 70 days and available for let for 140 days in the same financial year in order to be classed as selfcatering. That will go some way towards addressing some of the loopholes that Sarah Boyack referred to. However, I am happy to give her any further information that she might find helpful in that regard.

Policing and Arrests

2. Katy Clark (West Scotland) (Lab): To ask the Scottish Government whether it will make a statement on the policing and arrests at events connected to the death of the Queen and the proclamation of the new monarch. (S6T-00871)

The Cabinet Secretary for Justice and Veterans (Keith Brown): I pay tribute to Police Scotland for its considerable efforts in the planning and delivery of operation unicorn, which was an operation without precedent in scale, complexity and sensitivity. However, it is the fundamental right of anyone who lives in a democracy to protest peacefully. As demonstrated during the 26th United Nations climate change conference of the parties-COP26-Police Scotland protects people's right to protest while balancing the rights of the wider community and upholding public safetv. The member will appreciate that operational decisions are a matter for the chief constable, with scrutiny and oversight provided by the Scottish Police Authority, and that it is not appropriate for me to comment on specific cases. Any complaint about the actions of officers should be made directly to Police Scotland in the first instance.

Katy Clark: I recognise that it was a huge policing operation, but media reports suggest that there was heavy-handed policing, with four arrests for breach of the peace, a number of other people detained and then released without charge, and a woman who was demonstrating about free speech being followed by police officers. What discussions has the cabinet secretary had with Police Scotland about those incidents?

Keith Brown: I have just said that I am unable to comment on individual cases. However, I confirm that Police Scotland approaches its job firmly on the basis of human rights legislation and, of course, operates under the principles of policing by consent. It has confirmed that there will be a formal debrief process for operation unicorn, and I understand that the operation will be discussed at the Scottish Police Authority board meeting later this month, which is the appropriate forum for that. I understand that that will include reviewing at least one of the incidents that took place while the operation was active.

I will meet the chief constable tomorrow. I will discuss the issues with him, with a view, as ever, to what lessons can be learned from the operation and how those can be applied to future policing operations. I will also congratulate him and his force on a superb job, notwithstanding the issues that have been raised by the member.

Katy Clark: Does the cabinet secretary agree that the incidents create a worrying precedent and that freedom of speech is a fundamental right? I am grateful that he is going to discuss the issues with Police Scotland tomorrow, but will he ensure that MSPs have the opportunity to discuss the issues and our approach to policy on them?

Keith Brown: I think that I have just confirmed that the right to peaceful and democratic protest is one that we fully support; it is also one that Police Scotland supports. There are a number of ways in which individual members can make their views known to the chief constable or to the SPA, but if the member is proposing particular methods, I am more than happy to meet her to discuss those further. However, the police are accountable in many different ways, and they are very open to receiving representations from MSPs, as the member will know.

Christine Grahame (Midlothian South. Tweeddale and Lauderdale) (SNP): I share Katy Clark's concern about some aspects of policing during the proclamation and, later, during the funeral procession on the Royal Mile. I understand that there were many different police forces on duty then. Can the cabinet secretary confirm that Police Scotland had overall control and operational policy control? I note what the cabinet secretary said about the debriefing and the review. Will the outcome of that review be made public or, certainly, can he ask the SPA whether that can be done?

Keith Brown: For the member's information, whenever police officers from other jurisdictions come to serve and help under mutual aid arrangements with Police Scotland, control always rests with the chief constable and, of course, with the Lord Advocate. Similarly, Police Scotland had 1,000 officers in London and throughout England and Wales to help with events this week. At that time, they were under the control of local police chiefs. That is the way that it should be done. Of course, in Scotland, the chief constable will always be in control.

It will be up to the Scottish Police Authority how the discussions that it has with the chief constable are discussed and the extent to which they are made public. The chief constable will provide an update on the policing activities that supported the operation. I have already mentioned the extent to which that will be subject to review, but it will be for the SPA to make such decisions.

Jamie Greene (West Scotland) (Con): Despite the mammoth scale of events, there were clearly a small number of isolated incidents that, I have no doubt, will be subject to due scrutiny. However, does the justice secretary agree that, on the whole, Police Scotland did a tremendous job and should be thanked for its efforts? Rank-and-file officers from across Scotland supported events here in Edinburgh and London. However, it was not only the police who were involved: there was an army of volunteers and the armed forces, and they have behaved impeccably over the past week.

Keith Brown: That is certainly true, but it does not mean that the issues that members raise are not significant and important or should not be considered. However, the member is exactly right. I will give one example—probably wrongly—of that, which is the police officer, who I think was a superintendent, who drove the motorbike from Balmoral for six hours, at very low speeds, and was then confronted with the Royal Mile and its cobblestones. For him to come down there under control shows the level of concentration, ability and expertise that there is in Police Scotland.

I think that the police did a tremendous job, although, as I said, that does not mean that we should not explore other issues that have arisen.

Alex Cole-Hamilton (Edinburgh Western) (LD): In her coronation address, Her late Majesty professed a belief in free speech and tolerance. She called it

"a precious part of our way of life"

and asked the British people to cherish it and practise it. Free speech and the right to peaceful

protest are the cornerstones of this liberal democracy, even when we find them distasteful or inappropriate.

I am concerned that the cabinet secretary has stressed that he will not speak to specific examples of policing. Policing by consent surely means that the actions of Police Scotland should be accountable to this Parliament. If the cabinet secretary will not talk to specific events, in what forum can such concerns be voiced by members of this Parliament?

Keith Brown: I have already said two or three times that I fully support the right to democratic and peaceful protest. It is true, as Jamie Greene has pointed out, that the number of arrests was very small compared to the scale of the event that took place. Nevertheless, there are serious issues.

I say to Alex Cole-Hamilton: check the legislation. I am not allowed to involve myself, because a decision of this Parliament in 2012 explicitly rejected the idea that ministers or the Parliament should directly control the police. I am not allowed to do that under the legislation, so perhaps the member should familiarise himself with it before he asks his next question.

Maggie Chapman (North East Scotland) (Green): We have heard much about the arrests of people who expressed anti-imperialist or antimonarchy views, holding signs and carrying eggs. We have heard less about the people—mostly young women—who were followed and those who were held by police and had their details taken simply for booing or being near people with antimonarchy signs. Does the cabinet secretary believe that that shocking and intimidating behaviour was acceptable, especially given that concerns about similar behaviour were raised less than a year ago, during and after COP26?

Keith Brown: My views on the policing of COP26 are on the record.

As I said in my original answer—I have to repeat this—it is not appropriate for me to comment on the detail of specific cases. However, I understand that Police Scotland is aware of the incident that the member mentioned, video footage of which was shared via social media, and that the content of that footage is currently being reviewed.

I underline our commitment to having in place strong systems and processes for dealing with complaints against police. We outlined in the programme for government our intention to introduce a bill on police complaints and misconduct handling later this parliamentary year.

Oil and Gas Exploration Licences

3. Mark Ruskell (Mid Scotland and Fife) (Green): To ask the Scottish Government what its

response is regarding the impact in Scotland of the reported plans of the United Kingdom Government to grant up to 130 new oil and gas exploration licences. (S6T-00873)

The Cabinet Secretary for Net Zero, Energy and Transport (Michael Matheson): Oil and gas exploration and production, including licensing, remain reserved to the UK Government. The Scottish Government is clear that unlimited extraction of fossil fuels is not consistent with our climate obligations if we are to meet our target of 1.5° under the Paris agreement, and it is not the right solution to the cost of living crisis that families are facing. Instead of licensing more fossil fuel extraction, the UK Government should be encouraging investment in renewables and supporting a just transition for our energy sector and for Scottish households and businesses.

Mark Ruskell: In her first week in Downing Street, Liz Truss has taken a wrecking ball to climate commitments. The UK Government is again pretending that it can drill its way out of the energy crisis, while the world is facing unimaginable suffering from climate breakdown. From Liz Truss's installation of a fossil fuel fanatic as her energy secretary to her making no reference to climate in her first speech on energy, this is climate denial at its worst. Does the cabinet secretary agree that the development of the Rosebank oil field, alongside Cambo and Jackdaw, undermines both the Paris agreement and the Glasgow pact and will do nothing to reduce the energy bills that people are facing?

Michael Matheson: The focus at the moment is on tackling the cost of living crisis that many households face as a result of increasing energy costs; increasing extraction of oil and gas in the North Sea will not address that issue—that is not my comment but that of the United Kingdom Government. Kwasi Kwarteng, the former UK energy secretary, who is now Chancellor of the Exchequer, made such a point during a debate in the House of Commons earlier this year.

The way to tackle the underlying causes that are driving household and non-domestic energy bills at the moment is to decarbonise our energy system and reduce our dependency on fossil fuels. In doing that, we reduce our potential risk when it comes to the malign forces of people such as Putin in the future. Renewable energy is the most effective way to do that and deliver not only cheaper energy for domestic and non-domestic users but energy security. We in Scotland can benefit from that approach, through acceleration of renewable energy projects.

Mark Ruskell: Yesterday, the United Nations secretary general, António Guterres, called on countries to "tax the windfall profits" of oil and gas companies, to support people who are struggling with the costs crisis and to support communities that are suffering immense loss and damage from climate change, around the world. Does the cabinet secretary agree with his proposal?

Michael Matheson: At a time when households face such high energy bills, which are driving millions of households into fuel poverty and extreme fuel poverty, the focus is on the need to do whatever we can, not only to reduce the financial burden on households in the here and now but to prevent the burdening of households with increased fuel costs in the future. That is the risk of the approach that the UK Government is taking through the announcements that it has made to date on tackling the cost of living crisis.

The focus should be on taxing the windfall profits, particularly of energy companies, which are making sizeable profits, and using that money to offset the costs on households. It is estimated that energy companies will make in the region of £170 billion over the next two years alone. A windfall tax could offset the cost of energy in people's homes today. The UK Government should introduce that, rather than burden household bills with additional costs in the future, which is what will happen under the approach that it is taking.

Fiona Hyslop (Linlithgow) (SNP): Does the cabinet secretary agree that the UK Government should heed Alok Sharma, former UK secretary of state and president of the 26th UN climate change conference of the parties—COP26? He said:

"Climate and environmental security are now synonymous with energy and national security."

Does the cabinet secretary also agree that Scotland's great asset of a combined energy sector means that sensible use of existing domestic oil and gas licences during the energy transition, subject to climate analysis, and investment in renewable energy growth, including green hydrogen exports, will provide more energy security to us and to our European partners, who desperately want a green energy supply and security from hostile actors, than will be provided by the UK Government agreeing 130 new, longterm licences without climate impact analysis?

Michael Matheson: I agree with COP26 president Alok Sharma, who also said:

"Countries now understand the benefits of low-cost, homegrown renewables, the price of which cannot be manipulated from afar."—[*House of Commons, Written Answers*, 27 June 2022; UIN 22423.]

He recognises that renewable energy is the quickest, cheapest and most environmentally friendly approach to tackling our energy crisis, while delivering energy security.

Scotland is rich with the natural assets to deliver that, not just to meet our domestic needs in Scotland and the rest of the UK but to support the decarbonisation of energy in other parts of Europe. Whether it is onshore or offshore wind, carbon capture, utilisation and storage, battery storage or hydroelectric, all of it can contribute to our energy transition, and Scotland has the natural benefits that can maximise such resources. That is why it is critical that, in the early days of this new UK Government, we see an approach that is consistent with the need to drive forward renewable energy, to help to reduce energy costs overall.

Liam Kerr (North East Scotland) (Con): Mark Ruskell strangely forgot to mention that Guterres also said:

"fossil fuels cannot be shut down overnight. A just transition means leaving no person or country behind."

Without new investment in fields such as Cambo and Jackdaw and without political support from the Scottish Government, production will fall off a cliff, jeopardising the just transition and the 90,000 Scottish jobs that will deliver it, which will make us reliant on environmentally worse imports from regimes such as Putin's. Has the Scottish Government assessed the financial, economic and environmental impacts of its plans to abandon our oil and gas sector? If so, will that be published?

Michael Matheson: Let me try to deal with the facts. We have been consistent in our approach, which is that we should transition away from our dependency on fossil fuels in order to reduce our risk of exposure to malign forces such as Putin. That approach is agreed by the UK Government. I am making the point that the failure of the UK Government is in not driving forward the policies that will deliver on that approach. We need to ramp up our production of renewable energy and development of other forms of renewable resources, onshore and offshore, to reduce our dependency on fossil fuels.

As I have consistently said in the chamber and, I think, to Liam Kerr, our oil and gas sector will continue to play an important part in our economy, but we need to ramp up our renewables development, which will help to reduce our overall costs. The impression that some try to give that simply by extracting more oil and gas we can in some way reduce our energy costs is seriously wrong. The reality is that that will not happen, but that is the impression that the UK Government has tried to give with its announcement over the past few days. That approach simply will not work, because all the evidence demonstrates that it will not deliver the output that is needed.

Monica Lennon (Central Scotland) (Lab): The approach of the UK Government and the Scottish

Conservatives is worrying and wrong-headed. What can the Scottish Government do to make sure that our planning system is robust and fit for purpose? If we are going to see new offshore oil and gas developments such as Cambo, Jackdaw and Rosebank, what can we do to make sure that our planning system is robust? There will be a requirement for onshore assets and infrastructure. What can we do to frustrate the process if necessary?

Michael Matheson: Most of the licences for new fields that are issued nowadays are tiebacks into existing oil and gas infrastructure that comes onshore so, by and large, there are no planning provisions for the Scottish ministers and the Scottish Government to be involved in. The licensing of exploration and production rests solely with the UK Government.

I believe that we should be deciding such policies here in the Scottish Parliament, given their importance to our natural environment and our future fuel security but, as it stands in relation to oil and gas production, there are often no planning requirements in the process for the Scottish ministers to be involved with.

The Presiding Officer: That concludes topical question time. The next item of business is portfolio question time.

Point of Order

14:28

Fergus Ewing (Inverness and Nairn) (SNP): On a point of order, Presiding Officer. I have given notice of this point, on which I seek your guidance. On 8 September in the chamber, I asked the First Minister whether, in the light of loss of life in road incidents over the summer, the Scottish Government will bring forward detailed revised timetables and detailed proposals for delivery of its 13-year-old pledges regarding dualling the A9 and the A96. She provided the welcome assurance that safety is "paramount".

It is with great sadness that I report that a further two people have lost their lives in two separate incidents on the A9, both last Friday. Our thoughts and sympathies are with the families.

Presiding Officer, I ask for your guidance on how I can secure the objective of the Scottish Government proposing an oral ministerial statement to the Parliament setting out its revised plans, not least because the current target for dualling the A9 remains 2025. That is plainly impossible and requires updating.

As the First Minister also said, "procurement is ... complex", but that need not prevent the publication of such plans—after all, it did not prevent the 2025 target from being fixed in the first place. What procedure or process is available to me as a back bencher of the party in government to represent my constituents on this vitally important matter?

The Presiding Officer (Alison Johnstone): Thank you, Mr Ewing. Whether to propose making a ministerial statement is a matter for the Scottish Government, rather than a point of order for me to rule on. However, your comments are now on the record. As you noted, you raised the matter at First Minister's question time on 8 September, and you can use all of the various mechanisms of scrutiny that are available to all members to continue to raise those concerns.

Portfolio Question Time

Justice and Veterans

14:30

The Presiding Officer (Alison Johnstone): We move to portfolio question time. The first portfolio is justice and veterans.

Online Crime Reporting System (Error)

1. Jamie Greene (West Scotland) (Con): To ask the Scottish Government whether it will provide an update on the error with Police Scotland's online crime reporting system, which meant that between 3.00 pm on 31 August and 6.00 am on 1 September crimes reported through the online system were not recorded. (S6O-01348)

The Cabinet Secretary for Justice and Veterans (Keith Brown): That was clearly a regrettable incident. However, it is important to stress that the issue only affected non-urgent messages that do not require immediate police attendance. In an emergency situation, 999 should always be called.

Police Scotland has confirmed that the issue was related to a third party supplier's platform that stopped around 215 emails being processed. I am grateful to Police Scotland for its swift action to inform the public and for its moves to review current service provision to ensure that processes are robust against any possible recurrence.

Jamie Greene: Regrettable is one word to use, but I would say that concerning is a better description of that information technology failure. We recently learned that 2 million non-urgent calls to 101 have gone unanswered since 2018, and that a large number of calls to 999 also go unanswered. It is vital that any crimes-reported online or otherwise-are logged and acted upon because, sadly, we all know of the serious consequences that can happen when emergency call handling goes wrong; it ends in tragedy. What reassurances can the cabinet secretary offer that it is a fail-proof system and that that will not happen again, and does he share my concern that the effects of a potential real-terms budget cut on Police Scotland's capital budget will have grave consequences for the vital IT projects that it needs to invest in?

Keith Brown: Some reassurance can be taken from the immediate action that Police Scotland took and from the fact that for the three weeks since the incident occurred the same system has worked continuously and without fault.

I have also been given reassurances from Police Scotland that work is being done to ensure

that there is no recurrence of that issue. Further reassurance can be taken from HM Inspectorate of Constabulary in Scotland's report on Police Scotland's contact assessment model, which makes it very clear that the contribution of CAM is a significant step forward for Police Scotland. It was independently assessed.

HMICS also highlighted that the roll-out of CAM enabled Police Scotland to maintain an appropriate level of service throughout the pandemic. Figures published by the Home Office for July 2022 show that Police Scotland was well above the United Kingdom average for 999 call answer times, which the member mentioned, with 79.9 per cent of calls answered in under 10 seconds compared with 68.3 per cent in the rest of the UK.

In relation to the budget, as far as I know, the member has made no call on the UK Government to reverse the 5.2 per cent cut to this year's budget. Also, given the cost of living crisis, the huge costs associated with pay claims and the very high levels of inflation, you would have thought that if the member was concerned about Police Scotland's budget he would have made representations about that, but he made none at all.

As far as I can remember, there has never been an amendment from the Tories to say that they want an increase in police spending. In fact, in times past, I remember at least one occasion on which they asked for less money than the Scottish Government gave. If they are serious about it, perhaps they can make some calls on the UK Government for help to bolster some of the increased costs, whether that is through the cost of living crisis or the energy crisis that the Scottish Government and Police Scotland face because of their Government's ineptitude.

Bella Centre

2. Maggie Chapman (North East Scotland) (Green): To ask the Scottish Government whether it will provide an update on the first few weeks of operation, and how many women are now resident, at the newly opened Bella centre in Dundee, the United Kingdom's first community custody unit. (S6O-01349)

The Minister for Community Safety (Ash Regan): The Bella centre community custody unit became operational on 1 August 2022. There are currently nine women residing in the unit with further women being assessed for eligibility to transfer to the Bella centre in the coming weeks.

Maggie Chapman: It is becoming increasingly understood that our prison system is a product of inequality, having been developed through a class-infused lens of men's experience. Will the minister outline the specific needs of, and challenges for, women in custody and how the vision for justice will support the much needed transformational change in the women's prison sector?

Ash Regan: The Bella centre is an example of the Government's implementation of the transformational change to which the member referred. Women imprisoned in Scotland often present with a number of complex and interconnected needs. Broadly speaking, they disproportionately experience physical and psychological problems, which are frequently exacerbated by substance misuse, often as a result of traumatic events experienced in childhood or as adults. Through the Scottish Government's vision for justice in Scotland, we will continue to dedicate work within the justice sector to ensuring that women get the help that they need. We remain absolutely committed to making improvements to the justice system that will benefit and empower women throughout that system.

The women's justice leadership panel, which I chair, has been established to address gender equality and improve women's experiences within the justice system. That panel has been examining a range of experiences of women as victims and offenders in a range of different settings, including policing, community justice, the criminal and civil courts, tribunals and prisons. We hope that its work will promote the development of strategic outcomes that can guide and enhance the scope and uptake for gender-competent policy making and the design of justice policies that can go further to help women and achieve our vision for justice in Scotland.

Policing (Accountability)

3. **Stephen Kerr (Central Scotland) (Con):** To ask the Scottish Government what discussions it has had with the Scottish Police Authority about improving the accountability of policing in Scotland. (S6O-01350)

The Cabinet Secretary for Justice and Veterans (Keith Brown): Policing is one of the most accountable and highly scrutinised services in Scotland. An entire organisation, the Scottish Police Authority, is in place to hold the chief constable to account. In addition, several other organisations have a key statutory role in the oversight of policing, such as His Majesty's Inspectorate of Constabulary in Scotland and the Police Investigations and Review Commissioner. The Scottish Government, the Scottish Parliament and Audit Scotland also take a keen interest in matters of accountability, as demonstrated by the member's question. I meet the chair of the SPA regularly, as I do the chief constable and Her Majesty's—pardon me, I mean His Majesty's—chief inspector of constabulary. The subjects discussed are relevant to policing issues at the time.

Stephen Kerr: It will take some time for us to get used to "His Majesty" rather than "Her Majesty".

I hope that the cabinet secretary is able to answer my next question, which has been raised with me by many concerned constituents, without being tempted to make any party-political pop. The number of incidences of drug dealing recorded by the police has fallen by 20 per cent while the number of people dying from drugs remains stubbornly high. It is no surprise that many people in my Central Scotland region come to me because they feel less safe in their neighbourhoods. Will the cabinet secretary say how those communities, which are genuinely concerned for their public safety, can hold the police accountable to keep them safe from drug dealers?

Keith Brown: The figures that the member mentioned are produced independently of the Scottish Government, so we are right to place some faith in them. They show, as the member mentioned, a substantial reduction.

The member mentioned drug deaths. My colleague Angela Constance is perhaps better placed to respond to this, but it is true to say that there is a lag between when those deaths take place and when people first start taking drugs.

It is the police's responsibility to provide the reassurance that the member mentions. Notwithstanding the fact that members of the public have come to speak to Mr Kerr, there is some reassurance in the police figures, which show that there is a reduction in drug dealing.

However, through the different methods that I mentioned, it is possible for people to raise those issues—either with the SPA or individually, as they have done with Mr Kerr. I encourage people to do that. The police are always willing to listen and they rely on that local intelligence to find the best deployment of their force. That might also be a factor: the more information that the police have, the more effective they can be.

I hope that that is helpful to Mr Kerr, but I am happy to have a further discussion if he would find that helpful.

Stephanie Callaghan (Uddingston and Bellshill) (SNP): How does the Scottish Government plan to further improve traumainformed policing throughout Scotland, especially when policing vulnerable communities? What steps can be taken to ensure that officers are held accountable for actions or attitudes that negatively impact on the vulnerable communities that they serve?

Keith Brown: Our report, "The Vision for Justice in Scotland", sets out that justice services must be person centred and trauma informed. I understand that those are almost buzzwords these days, but if they are properly realised, they can be transformative for people's experience.

It is recognised that people in the criminal justice system can be affected by psychological trauma in many different ways, and that the system can be retraumatising. As set out in the strategic workforce plan, Police Scotland is committed to working with a wide range of partners, recognising that the majority of police demand is rooted in complex social need with the aim of protecting vulnerable individuals. To support that, all officers and staff within Police Scotland's partnerships, prevention and community wellbeing division are trained in trauma-informed policing. Additionally, we are funding trauma specialists to develop a knowledge and skills framework to create a more traumainformed and trauma-responsive justice system. That framework will be published later this year.

Proposed Criminal Justice Reform Bill

4. Joe FitzPatrick (Dundee City West) (SNP): To ask the Scottish Government how the proposed Criminal Justice Reform bill will aim to improve the experiences of victims in the justice system. (S6O-01351)

The Cabinet Secretary for Justice and Veterans (Keith Brown): The bill will progress the ambition and priorities that are set out in "The Vision for Justice in Scotland". It will deliver reforms building on our recent consultation on improving victims' experiences of the justice system and the recommendations from Lady Dorrian's review on improving the management of sexual offence cases. The bill will include proposals to introduce a statutory right to anonymity for complainers in sexual offence cases and to abolish the not proven verdict—a verdict that people do not understand, that can stigmatise the acquitted and may cause additional trauma for victims.

Joe FitzPatrick: I welcome that the bill sets out to deliver legislative reform, building on the recommendations of Lady Dorrian's review on improving the management of sexual offence cases, notably the anonymity of complainers of sexual crimes, as mentioned by the cabinet secretary.

Can the cabinet secretary advise what plans the Scottish Government has to work with the legal

sector to ensure that there is a smooth implementation of those reforms in court practice?

Keith Brown: The member raises an important point, specifically on ensuring anonymity protection for complainers in sexual offence cases. The Scottish Government is engaging closely with key interested parties, including Rape Crisis Scotland, to ensure that the policy is delivered effectively.

More generally, for the various reforms that are likely to be included in the bill, we have continued Lady Dorrian's approach of partnership working. A cross-sector governance group, where the legal sector is represented along with victim support organisations, is driving further consideration including implementation planning. That is invaluable, and will help to ensure that the reforms in court practice and procedure achieve the intended benefits.

Russell Findlay (West Scotland) (Con): Countless rape victims and the families of murder victims have their pain compounded by the not proven verdict. Can the cabinet secretary tell them when Scotland's "bastard verdict" will be scrapped?

Keith Brown: In the programme for government, we have laid out the proposals to have that brought forward this year. That verdict has been used for centuries. It is also true that we resisted the member's and other members' pleas to scrap that verdict that more quickly, because we think that there are other parts of the criminal justice system that will have to change in order to accommodate the change.

The consideration of those matters is supported by the Law Society of Scotland, the Faculty of Advocates and the senators of the College of Justice in Scotland, and we have to take people with us on such a fundamental change. That is why it is right that we consider other aspects as well as the not proven verdict, which is what we have done up until this point and what we will continue to do. However, for the first time, a Government has said that it will abolish the not proven verdict in Scotland, which has stood for centuries. I think that that should be welcomed.

Recorded Crime Statistics

5. **Craig Hoy (South Scotland) (Con):** To ask the Scottish Government what its response is to the latest recorded crime in Scotland statistics. (S6O-01352)

The Cabinet Secretary for Justice and Veterans (Keith Brown): Although the latest recorded crime statistics are at their lowest level since 1974, which shows that Scotland is a safer place since this Government took office, there is much more to do. We are investing in policing to ensure that police numbers are higher than at any time during the previous Administration, and we are ensuring that victims and survivors are supported. Our victim-centred approach fund of \pounds 48 million will provide practical and emotional support to victims over the next three years. That includes £18.5 million for specialist advocacy support for survivors of gender-based violence, in addition to the delivery of the equally safe strategy, providing £19 million per year to focus on prevention as well as vital support services across Scotland.

Craig Hoy: Any reduction in overall crime levels is to be welcomed, but the cabinet secretary overlooks the fact that the rate of sexual crimes is at its highest ever level, and that the number of domestic abuse incidents has also reached record levels. In a recent article in the justice and social affairs magazine *1919*, Keith Brown boasted that

"Scotland continues to be such a safe place to live".

Even for an Administration as complacent as this Scottish National Party Government, are those remarks not crassly insensitive to the record number of victims of those horrific crimes?

Keith Brown: Of course, we have to be—and we are—mindful of people's experience of crime and how traumatic that can be. However, it is an utter absurdity to talk about complacency on the part of the Scottish Government. I saw a newspaper article today that said that, in Scotland, 45.1 per 1,000 people suffer an experience of crime, whereas, in England and Wales, that figure is 77.6 per 1,000 people. If we are complacent, what does that make the United Kingdom Government?

Of course, we are concerned for victims. That is why we have taken the measures that we have. Further, in relation to policing, we have far higher levels of policing in Scotland than is the case in the rest of the UK, and we have a starting salary for a police constable in Scotland that is more than \pounds 5,000 a year more than is the case in England and Wales. I also point to the success of the police in driving down levels of crime to their lowest level since 1974. We might think that we might hear the occasional word of praise for Police Scotland from the Conservatives, but we do not.

Court Backlogs (Impact on Remand for Young People)

6. Mark Ruskell (Mid Scotland and Fife) (Green): To ask the Scottish Government whether it will provide an update on how it is addressing court backlogs that are reportedly leading to young people being held on remand for longer than 140 days in young offenders institutions. (S6O-01353)

The Minister for Community Safety (Ash Regan): The Scottish Government has

established a justice recovery fund of £53.2 million in 2022-23, which is supporting the courts and the wider justice system to recover from the impact of the pandemic.

Action taken to address the backlogs—including the creation of 16 additional courts—is having a positive impact on court throughput. The total number of scheduled trials outstanding has reduced each month in 2022 and has fallen by more than 7,400 since the start of the year. We are also reforming the use of remand and are ending the placement of under-18s in young offenders institutions.

Mark Ruskell: I welcome that response, particularly in relation to the justice recovery fund.

I have constituents from Fife who have been held on remand in the Polmont young offenders institution for up to a year, locked up for up to 22 hours a day away from home, without access to adequate support. That is obviously no way to treat any young person in Scotland today. How is the Scottish Government applying the United Nations Convention on the Rights of the Child in Scotland, and how will forthcoming bills ensure that young people are not unnecessarily deprived of their liberty and are treated with traumainformed and age-appropriate support, which is important?

Ash Regan: The decision to deprive a child of their liberty is for the independent courts. We are clear that that should be a last resort and that the child in that situation should be in secure care. That is why we are committed to ending the placement of under-18s in young offenders institutions, which we will do through the forthcoming children's care and justice bill.

I understand that there have been improvements for under-18s on remand in young offenders institutions, including access to vocational training and the realignment of a fulltime inclusion officer to work with individuals to reduce social isolation and encourage participation in activities. However, I note the member's interest in the issue, and I suggest that he might like to meet the minister in charge of the bill to discuss his concerns in more detail with her.

Victims of Military Sexual Trauma

7. Natalie Don (Renfrewshire North and West) (SNP): To ask the Scottish Government what support is being provided to assist those veterans, predominately women, who have been victims of military sexual trauma whilst on duty. (S6O-01354)

The Cabinet Secretary for Justice and Veterans (Keith Brown): Although, as the member knows, responsibility for military conduct is a reserved issue, the Scottish Government remains absolutely committed to improving access to support for all those who have experienced rape or sexual assault and funds a range of front-line specialist support services. For example, through our victim-centred approach fund, we will provide £48 million to 23 organisations across Scotland over the period from 2022 to 2025. That includes £18.5 million for specialist advocacy support for survivors of gender-based violence, underlining our absolute commitment to putting victims very firmly at the centre of the justice system.

Natalie Don: Does the cabinet secretary agree that, with more than 22 per cent of female veterans reporting incidences of sexual assault by their colleagues, the United Kingdom Government and Ministry of Defence should do more to stamp out that culture in the armed services and that the UK Government should recognise military sexual trauma in the same way that the US recognises it, which is as a criminal offence under federal law, meaning that trials are held in civilian courts?

Keith Brown: I certainly agree that more should be done to stamp out that culture. That has been true for many decades. When I took up this ministerial position last year, one of my first engagements was to go to a new veterans centre in Fife, where a woman, who was one of the first Wrens to be stationed on a ship, recounted some of her horrendous experience from the 1980s onwards. Much more should be done and should have been done over many years.

Of course, I agree that the more serious cases should be dealt with in the civilian criminal courts. We continue to push the UK Government to commit to the future implementation of recommendation 1 of the Lyons review. In January, I wrote to the Secretary of State for Defence to ask how the UK Government will address that important issue and how our service personnel can be assured that they will not be affected by such awful behaviour during their service. Although those were very reasonable questions, I did not receive even the courtesy of a response from the secretary of state.

Community Payback Orders (Monitoring)

8. Willie Coffey (Kilmarnock and Irvine Valley) (SNP): To ask the Scottish Government what conclusions it has reached through its monitoring of the community payback order scheme on its effectiveness at reducing reoffending. (S6O-01355)

The Cabinet Secretary for Justice and Veterans (Keith Brown): Use of community payback orders is monitored in a variety of ways, including through national criminal justice social work and reconviction statistics. We know that CPOs can be more effective than prison at addressing the causes of offending, while also delivering benefits to communities, and our justice vision includes a continued focus on shifting the balance towards justice in the community.

The reconviction rate for offenders who are given CPOs is consistently lower than for those who are given short custodial sentences. In 2018-19, the reconviction rate for offenders who had been given CPOs was 29.2 per cent, compared with 51.7 per cent for those who had been given custodial sentences of one year or less.

Willie Coffey: A key part of the vision for justice is shifting the balance from use of custody towards greater use of justice options in our communities. What action is the Scottish Government taking to achieve that and to make further progress in reducing reoffending?

Keith Brown: I assure the member that further steps are being taken to shift the balance towards a greater use of community-based disposals. A delivery plan to support implementation of the revised national community justice strategy is being developed with partner organisations; its publication will drive actions at national and local levels. In addition, we introduced the Bail and Release from Custody (Scotland) Bill to Parliament in June. We are supporting effective use of new powers to electronically monitor the use of bail. We are continuing to invest in community justice services within the parameters that were set out in the resource spending review. That includes sustaining additional investment of £15 million in justice social work services this year. Of course, public protection remains paramount as we work to reduce reoffending and assist with rehabilitation, which leads to fewer victims and safer communities.

The Deputy Presiding Officer (Annabelle Ewing): That concludes portfolio questions on justice and veterans. There will be a short pause before we move to portfolio questions on finance and the economy.

Finance and the Economy

The Deputy Presiding Officer: We move to portfolio questions on finance and the economy. I remind members that questions 3 and 7 are grouped together and that I will take any supplementaries on those questions once they have both been answered. If any member wishes to ask a supplementary question, they should press their request-to-speak button or enter the letter R in the chat function during the relevant question.

Energy Prices and Inflation (Impact on Businesses and Jobs)

1. **Pauline McNeill (Glasgow) (Lab):** To ask the Scottish Government what assessment it has

made of the impact of energy price and inflation increases on businesses and jobs. (S6O-01356)

The Minister for Business, Trade, Tourism and Enterprise (Ivan McKee): We monitor closely the impact and we know that the effects are felt by traditionally energy-intensive industries and small businesses. We have engaged extensively with businesses and we support their calls for measures on energy prices, VAT reduction, staff shortages and handling business loans, which all fall within the reserved powers of the United Kingdom Government. Although the UK Government's long-anticipated announcement this morning is welcome, it comes too late for many businesses across Scotland that are already struggling to pay bills. The UK Government needs to do more, and we have written to it to request an urgent quadrilateral meeting.

Pauline McNeill: Businesses feel that they are lurching from one overwhelming crisis to another, despite the UK Government's intervention today. I agree with the minister that it has come a bit too late, although I am sure that it is welcome.

Hospitality businesses were here last week, and I put on record my thanks to Ivan McKee for coming along to listen to them. The businesses described the current financial situation in Scotland as being worse than it was during the coronavirus period. Many fear that they will not be able to continue trading through this winter, but they have indicated that business rates relief would make a sizeable difference to many companies. What are the detailed plans to support businesses this winter? I know that the minister is only too aware that businesses have said that they are really scared that if they do not survive this winter, they will not survive at all.

Ivan McKee: I thank Pauline McNeill for organising the recent event with hospitality businesses, which reinforced my understanding of the difficulties that businesses in that sector and others are facing, due not only to the price rises but to the uncertainty as a consequence of them.

We have seen from the UK Government a sixmonth-only price cap, which is clearly not as helpful as it could be to businesses that are looking to the future. I fully appreciate the difficulties caused to businesses as а consequence of that. The Scottish Government is looking at all the options for taking measures to support businesses; however, as we all know, many of the levers are controlled by the UK Government. My colleague the Deputy First Minister will be introducing measures through the budget, once we have seen the UK Government's budget action in that regard and fully understand the fiscal scope within which we can operate. Rest assured that we understand and appreciate the impact of the current crisis on businesses.

Paul McLennan (East Lothian) (SNP): Given that the UK Government holds the key levers to support businesses and jobs during the crisis, what engagement has the Scottish Government had with the UK Government on the matter, and what action does the minister think that the UK Government should be taking now to support businesses and people?

Ivan McKee: The response from the UK Government on the issue and more broadly has been unacceptable. With key policy levers currently being reserved, as the member rightly points out, we will continue to press the UK Government across a range of measures, including the expansion of the shortage occupation list, VAT reduction on small and medium-sized enterprises' energy bills, and an extension of the coronavirus business interruption loan scheme.

The long-awaited business energy cap is welcome, but it must be funded in part by targeting windfall gains in the energy sector and by companies that have benefited from significantly higher profits during the pandemic and the energy crisis. We have written to the UK Government several times on those issues, most recently on 16 September, when we requested an urgent quadrilateral meeting. We will continue to press it urgently on those matters.

Beatrice Wishart (Shetland Islands) (LD): Energy projections for the Shetland community bike project show unit price increases of more than 300 per cent, while the impact of energy price and inflation increases puts in question the viability of even long-established businesses in my constituency and makes planning for the future difficult. Does the minister agree that that demonstrates that we need longer-term solutions rather than the temporary sticking plaster that the UK Government is offering?

Ivan McKee: Yes, I do. It is one of the very cruel paradoxes of the current situation that, in Scotland, which is self-sufficient in energy, we are seeing rises in costs that are outwith our control, particularly in energy-rich Shetland, where, as Beatrice Wishart knows only too well, in many instances the impact is even more severe than it is across the rest of Scotland.

Beatrice Wishart is absolutely right: we need long-term solutions to the crisis. That is why Scotland must have full control over the economic and energy levers. Solutions can be delivered only if Scotland is a normal independent country that enjoys those full powers.

Douglas Lumsden (North East Scotland) (Con): In *The Scotsman* this morning, the head of the Confederation of British Industry said that there is not enough dialogue with Scottish ministers, and he declared that freezing business rates is the CBI's "top ask" of the Scottish Government. Business rates are a lever that the minster has, so will he listen to business?

Ivan McKee: I also saw Tony Danker's comments, and he was very complimentary about his engagement with the First Minister. The Deputy First Minister, other ministers and I engage extensively and very regularly with the CBI and other business organisations in Scotland. My door is always open to any business organisation or business that feels that it is not being listened to—please come and arrange a meeting with me to discuss those or other matters.

On the steps that the Scottish Government can take, the member will be well aware that, because Scotland is not an independent country, we do not have control of our borrowing powers. Therefore, we are operating within fiscal—[*Interruption.*] Well, we can fund things only with the finite resources that we have because we are not able to borrow to support emergency measures in the way that the UK Government does. Therefore, we call on the UK Government to take more measures to support businesses and to give us more fiscal headroom to take the measures that the member mentioned. As I have said, the Deputy First Minister will bring forward an emergency budget as soon as we are clear what the fiscal landscape looks like.

The Deputy Presiding Officer: Question 2 is from Neil Bibby, who joins us remotely.

Social Media Advertising (Scottish Government Spending)

2. **Neil Bibby (West Scotland) (Lab):** To ask the Scottish Government how much it has allocated in the financial year 2022-23 for it and its agencies to spend on social media advertising. (S6O-01357)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): Budgets are not allocated by the Scottish Government to agencies specifically for the purposes of social media advertising and information is not held on the breakdown of social media advertising expenditure by agency. Scottish Government spend on social media advertising from April to August 2022 was £371,993.

Neil Bibby: It is clear that the Scottish Government spends a significant amount on social media advertising. Last year, the amount was reported to be £2.3 million.

The Deputy First Minister has set out a number of options for spending cuts as part of the Government's emergency budget review, but that does not appear to include cutting social media advertising expenditure. Clearly, cutting that budget would not offset other difficult decisions, but it is still a significant amount of money. Will the DFM confirm whether the social media advertising budget will be protected, or whether it will be considered for cuts?

John Swinney: As Mr Bibby will be aware, I have set out an initial round of reductions in budgets, which were explained to Parliament two weeks ago. I do not believe that that will be the last set of reductions that I will have to make because of the enormous financial pressures that we face as a result of inflation and public sector pay.

Currently, I am exploring a range of different aspects of public expenditure, which might be subject to further reductions as part of the emergency budget review and as part of my inyear financial management. That might have an effect on the Government's advertising and social media costs. I will advise Parliament of what decisions I arrive at on any of those questions in due course.

Cost of Living Crisis (United Kingdom Government Funding)

3. Bob Doris (Glasgow Maryhill and Springburn) (SNP): To ask the Scottish Government what its latest engagement has been with the United Kingdom Government regarding the funding that is being provided to mitigate the impacts of the cost of living crisis. (S6O-01358)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The cost of living crisis is an unprecedented challenge for us all and action must be taken by all Governments, including and especially by the UK Government.

The First Minister wrote to the Prime Minister on 6 September emphasising the need to act urgently to support citizens now. Given the grave nature of the crisis, I also wrote to the new chancellor to press the need for action. The Prime Minister's announcement on the energy price cap is welcome, but more action is required to support struggling families and businesses.

Bob Doris: Despite Scottish Government actions to mitigate UK Tory Government cuts and to provide direct financial support that is not available elsewhere in the UK, independent analysis in the *Financial Times* suggests that living standards continue to decline and, for instance, that

"the average Slovenian household will be better off than its British counterpart by 2024".

Given that the Scottish Government does not have the fiscal levers of independence to borrow in order to provide additional support to households and businesses as inflation spirals, what measures would the Deputy First Minister like the UK Government to introduce to prevent a recession and reduce soaring levels of fuel poverty, food need and indebtedness, which are impacting too many of our constituents already?

John Swinney: Mr Doris will have heard my statement to Parliament two weeks ago in which I explained the financial constraints under which we are operating whereby, once we have set the tax rates for a financial year and given our inability to borrow for resource expenditure, we are essentially operating on a fixed budget.

There have been spiralling increases in inflation during this financial year. That has resulted in the necessity to settle pay demands at a much higher level than those that we had been expecting. That puts acute pressure on the Scottish Government's budget, because we do not have the flexibility that the UK Government has, to which Mr Doris refers.

I would like to see the UK Government take forward targeted measures such as an increase in universal credit payments, because that would provide support directly to those who are most affected by the challenges that are faced in the cost of living crisis. That is why the Scottish Government has taken the steps that we have on, for example, the Scottish child payment, which will ensure that families that are really struggling are given the greatest amount of support.

I am very concerned, in reading news reports about what is expected to be in the chancellor's statement on Friday, that more and more of the measures that are proposed to be taken by the UK Government run the risk of increasing inequality in our society and preferring the interests of those who are wealthy over those who face financial challenges and are in poverty. I appeal to the UK Government, as I have to my colleagues in Wales and Northern Ireland, to bring forward measures that will support those who are hard pressed by the financial crisis.

Inflationary Pressures (United Kingdom Government Funding)

7. Kenneth Gibson (Cunninghame North) (SNP): To ask the Scottish Government what indications it has received that additional funding will be provided by the United Kingdom Government to deal with inflationary pressures. (S6O-01362)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): Despite the huge challenges that the Scottish budget faces, the UK Government has offered no support to deal with inflationary pressures. With inflation now at more than 10 per cent and predicted to go higher, the Scottish budget is worth around £1.7 billion less than it was when it was presented to Parliament in December.

The Scottish budget is fixed, we cannot vary Scottish income tax in year, our reserve funding is fully allocated and our borrowing powers are woefully inadequate. We need to secure from the UK Government the necessary financial flexibility to enable us to address the very real financial challenges that we face this financial year.

Kenneth Gibson: Does the cabinet secretary agree that, without additional resources to match rising wage, energy and other costs, Scotland's public sector will struggle to maintain services and staff? Does he agree that, given that poorest areas will be hit hardest, additional funding is essential if the UK Government is serious about its own levelling up agenda?

John Swinney: I have indicated in a number of responses to members this afternoon the challenges that we face, which I set out openly to Parliament two weeks ago. The effect of inflation on our budget is to undermine its value to the tune of £1.7 billion. That means that there is intense pressure on the ability to deliver public services and to afford the increases in public sector pay that are significantly higher than those that were envisaged at the time of setting the budget.

That is why I, along with my colleagues in Wales and Northern Ireland, have appealed to the UK Government to have an approach to the fiscal event on Friday that meets the needs of these days and addresses the risk that, unless specific action is taken, increasing inequality and a damaging impact on the poorest in our society will be the consequence of the UK Government's actions.

Paul Sweeney (Glasgow) (Lab): Will the Deputy First Minister agree that, in addition to the consequential fiscal transfers that are available to the Scottish Government to respond to the cost of living pressures, the introduction of new tax levies on wealth and assets such as land, and the issuing of sub-sovereign bonds to finance public sector capital investments, should be explored as a matter of urgency?

John Swinney: I am perfectly happy to explore those questions, although I think that the question on the issue of sub-sovereign debt would be outwith the competence of the Scottish Parliament. However, I am happy to explore that question with Mr Sweeney if he writes to me with his thoughts about how that might be done.

I welcome Mr Sweeney's question, however, because it highlights the need to recognise the limitations of the current range of responsibilities and powers that we have to deal with the crisis that we face. Parliament as a whole needs to engage with the fact that, as we are in a situation in which during a financial year we largely have a fixed budget, unless the UK Government decides to expand public expenditure in England, we have no ability to deal with inflationary pressures or changes in dynamics other than to take money from one area of policy and apply it to another. I wrestle with that dilemma every day of the week just now, and I will have to come back to Parliament about it in the course of the next few weeks

Workers' Rights

4. Colin Beattie (Midlothian North and Musselburgh) (SNP): To ask the Scottish Government what its response is regarding the impact in Scotland to reports that the United Kingdom Government is considering a post-Brexit removal of workers' rights. (S6O-01359)

The Minister for Just Transition, Employment and Fair Work (Richard Lochhead): The Scottish Government is firmly opposed to any weakening of worker protections. Removing important European Union protections could lead to a reduction of workers' health, safety and wellbeing outcomes.

Colin Beattie: In the Queen's speech this year, the United Kingdom Government took the decision not to introduce an employment bill. Does the minister agree that, given the Westminster Tory Government's poor track record when it comes to protecting workers' rights, coupled with the emergence of a Liz Truss Government that is intent on stripping away protections and power from unions while undermining workers, it is becoming ever more evident that the only way we can safeguard workers' rights and tackle in-work poverty in Scotland is by ensuring that full employment powers rest with the Scottish Government?

Richard Lochhead: I agree with the member's points. I was very concerned when UK civil servants, having being asked by their political masters to look at how to use Brexit freedoms, recently confirmed that they were looking at EU regulations on issues such as working time, parental leave, the Transfer of Undertakings (Protection of Employment) Regulations, agency workers and part-time workers. Given the tone that Colin Beattie refers to from the new Tory Prime Minister, Liz Truss, we should indeed be very worried. I agree that the reports that the member mentions are further evidence that workers in Scotland will get the employment protections that they need only when the levers of change are placed in the hands of the Scottish people and the Governments that they vote for.

Islands Bond (Reallocation of Funding)

5. Rhoda Grant (Highlands and Islands) (Lab): To ask the Scottish Government to which budget line the £5 million previously allocated to the islands bond scheme will be reallocated. (S6O-01360)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): The £300,000 that was allocated to the islands bond in this financial year will now support projects that will deliver on priorities that are identified by our island communities. Those projects will help to inform our future funding requirements so that we can tackle the depopulation challenges across our islands. That work complements the support that is being provided to deliver on "The National Islands Plan", which will see a total of £8.3 million invested in critical infrastructure projects. That continues our record of delivering significant investment in key island-based projects.

Rhoda Grant: It is not entirely clear from the cabinet secretary's response what the money will fund. He is right to highlight depopulation, which is caused by housing issues, especially in relation to housing for young people. Has he given any consideration to Jim Hunter's suggestion of setting up a Highlands and Islands housing authority that empowered to address housing is and depopulation? The £5 million that was set aside for the islands bond would not fund that scale of initiative, but has the cabinet secretary considered making the money available to young islanders by way of grants to self-build?

John Swinney: I am always interested in the thinking and contribution of Jim Hunter on all matters, and particularly on matters in relation to the Highlands and Islands. Therefore, along with my colleague Mairi Gougeon, I will look with care at those issues. Rhoda Grant helpfully points out the significant relationship between the issues of availability of affordable housing, economic opportunity and depopulation. Without doubt, there is an interrelationship between those matters.

On the question of a new authority, I reserve my position. I would rather that we actually tried to achieve the outcomes that Jim Hunter talks about, which I am certain Rhoda Grant will support. I hope that the measures that the Government is taking in relation to our islands expenditure is of assistance in trying to support the objectives of tackling depopulation, boosting economic opportunity and boosting the supply of housing in the Highlands and Islands.

Emma Roddick (Highlands and Islands) (SNP): The Scottish Government dropped the proposal for an islands bond on the back of feedback from islanders, whose voices are central to the future of their communities. However, the Government's commitment to financially back initiatives to support the retention of people in our island communities is clear. How will the $\pounds4.45$ million that has been allocated through the islands programme support population retention in island communities?

John Swinney: It will be allocated across 31 islands, in six island local authorities. The funding will be allocated directly to support islands that have populations in the low hundreds. The projects include the development of digital and community hubs, which will provide or safeguard key economic and social infrastructure to support healthy, thriving islands. The largest single award of £1.3 million will support a major new nursery development on mainland Orkney, which will benefit all of Orkney's islands. The project is directly linked to population retention and growth, but it will also address child poverty and provide practical training opportunities for employment.

Liam McArthur (Orkney Islands) (LD): I thank the cabinet secretary for that response, particularly the last element of it. He will perhaps be aware of the idea that was posited to his Cabinet colleague Mairi Gougeon about expanding the inter-isles air services in a way that would support population retention not simply on one island but across most of the north isles in my Orkney constituency. Can he confirm that that idea will be taken fully into account in the Scottish Government's further thinking?

John Swinney: That idea was put to me in recent discussions with the leaders of island authorities. I might come on to that in a subsequent question, if we reach it. The idea will be considered as part of a range of measures that we want to take forward to improve connectivity among the islands. We want to ensure that practical measures can be taken to tackle depopulation, which I know is of concern to Mr McArthur and his constituents.

The Deputy Presiding Officer: Question 6 was not lodged.

Orkney Islands Council (Budget Settlement)

8. Liam McArthur (Orkney Islands) (LD): To ask the Scottish Government when it last met Orkney Islands Council to discuss its budget settlement. (S6O-01363)

The Deputy First Minister and Cabinet Secretary for Covid Recovery (John Swinney): Although negotiations on local authority budgets are conducted between the Scottish Government and the Convention of Scottish Local Authorities on behalf of its member councils, a range of portfolio cabinet secretaries, ministers and officials have regular contact on key shared priorities with individual local authorities, including Orkney Islands Council. That has included a number of cabinet secretaries and ministers visiting Orkney over the summer, when some met Orkney Islands Council leaders and officials to discuss a range of issues. I also had extensive discussions with the leader of Orkney Islands Council on this matter and others when I recently met the leaders of the three island authorities.

Liam McArthur: Given his family connections to Orkney, I am sure that Mr Swinney will be delighted to hear that Orkney's population has grown faster over the past two decades than the population of almost any other part of the country. It now has a population of 22,400, which is less than 500 fewer than the population of neighbouring Shetland.

However, that has only made worse the disparity in funding between island authorities. Per head of population, Orkney receives £367 less than Shetland and almost £700 less than the Western Isles. We pay £1.3 million into the floor mechanism, from which Shetland and the Western Isles gain almost £5 million and £18 million respectively. Were the same mechanism to be used for allocating funding around the United Kingdom, and Scotland found itself in the same position as Orkney finds itself, does the cabinet secretary believe that the Scottish Government would be happy to accept that as a fair deal? If not, what does he propose to do about Orkney's on-going underfunding?

John Swinney: First, I am delighted to hear that the home of my dear, beloved late grandmother is thriving so well in population terms. I am pleased to hear that news.

I should also say that I spent a bus journey from St Giles cathedral to Parliament with the convener of Orkney Islands Council, Councillor Graham Bevan, who did not miss his opportunity to bend my ear about his council's financial arrangements. Mr McArthur can be assured that his local authority colleagues are using every available opportunity to advance their arguments.

The funding settlement for Orkney Islands Council is a product of many variables, which are agreed in general with local government. Mr McArthur will be familiar with the fact that such questions are negotiated with the Convention of Scottish Local Authorities. Of course, there are specific elements that relate to islands' expenditure, such as the special islands needs allowance. Councillor Stockan, whom I also met, and Councillor Bevan both made points to me about such questions. I will reflect on those points as we take forward discussions with local government about the funding arrangements for the next financial year.

Point of Order

15:18

Willie Rennie (North East Fife) (LD): On a point of order, Presiding Officer. I seek your guidance on whether it is discourteous to the chamber for members to receive documents pertaining to the next debate just over an hour before the debate takes place. How is it possible to have a meaningful scrutiny session and discussion about the documents if we do not have sufficient time to look at them?

The Deputy Presiding Officer (Annabelle Ewing): I thank the member for his point of order. I advise him that that is a matter not for the standing orders but for the Scottish Government, which will have heard the point that he has raised.

Inward Investment and Export Growth Plans

The Deputy Presiding Officer (Liam McArthur): The next item of business is a debate on delivering economic transformation— Scotland's inward investment and export growth plans. I invite members who wish to participate in the debate to press their request-to-speak buttons now or as soon as possible.

15:20

The Minister for Business, Trade, Tourism and Enterprise (Ivan McKee): Scotland is an outward-facing nation; we take our place in the world seriously and work hard to build our links with international partners. That is true in the field of internationalising our economy, which the Scottish Government takes seriously, and it is why we published "A Trading Nation—a plan for growing Scotland's exports" three years ago and "Scotland's Inward Investment Plan: Shaping Scotland's Economy" two years ago.

Both plans are evidence led and action focused and answer the hard questions about where the Scottish Government should place its resources to maximise returns. Those plans are delivering results—I will come to them in a minute—which is why we have published updates to make members aware of the actions that we are taking to deliver on the strategies and of the results that are being delivered as a consequence.

It is true to say that we have faced more than our fair share of challenges over the past few years, such as Brexit and its impact on business growth and businesses' ability to export; the Covid pandemic; and the current cost of living and energy price crisis, which is the consequence of events that we are aware of. Despite those challenges, the export growth plan and the inward investment plan have delivered results, and I take the opportunity to thank team Scotland for the work that it has put in to ensure that the plans have delivered.

First, I will talk about exports. In recent years, non-oil and gas exports from Scotland have grown at twice the rate of those from the rest of the United Kingdom. Last year, such exports from Scotland were up by 5.7 per cent, while the UK number was down by 2.9 per cent on the same period two years previously. Scotland is the only part of the UK that can boast a positive balance of trade in goods—at plus £2.2 billion—compared with a deficit across the rest of the UK.

On inward investment, the EY survey results the gold standard on inward investment comparisons—that were published earlier this year

show Scotland's figure increasing by 14 per cent, compared with increases of 2 per cent across the rest of the UK and of 5 per cent across Europe. The results show that Scotland is cementing its position as the leading part of the UK for attracting inward investment outside London and that 122 projects were attracted into Scotland, which are creating almost 8,000 jobs. They show that that benefit is happening across Scotland-Edinburgh was ranked the number 1 city in the UK, with Glasgow in fourth place, Aberdeen in joint eighth and Dundee and Livingston also making it into the top 20. Five Scottish locations were in the top 20 across the UK. According to the EY results, the percentage of investors that see Scotland as the most attractive part of the UK has increased from 7 per cent to almost 16 per cent.

Daniel Johnson (Edinburgh Southern) (Lab): The EY survey is well known, but it focuses largely on the number of projects. An alternative survey that the Centre for Business & Economic Research conducted, which looked at gross value added, shows Scotland behind regions such as the midlands and the north-west. What work has the Scottish Government done to look at GVA? What can be done to improve our position against those regions of the UK?

Ivan McKee: That is a good point. If the member has read the original inward investment plan, he will recognise that we have done considerable analysis to understand spillover benefits—we recognised that the east of England is the leading part of the UK on maximising those benefits. We did considerable analysis of what the additional benefit to Scotland's economy would be if we emulated that area's performance, as opposed to being average with the rest of the UK. A big focus of the plan is to deliver on those benefits, and work is under way to further analyse that, although the member will appreciate that that is not as easy to analyse as some other data.

We are conscious of and focused on maximising the spillover benefits and spreading them across the country. As the member recognises, the EY report is clear that, on projects, which it measures, Scotland is significantly outperforming most other parts of the UK.

That demonstrates the clarity that comes from having a focused and evidence-based strategy and co-ordinating across team Scotland to deliver on that. The consistent message to investors over a number of years has delivered the results. Those results did not happen by accident.

Paul Sweeney (Glasgow) (Lab): I acknowledge the headline figures that the minister gave for foreign direct investment, but does he recognise that not all foreign direct investment projects are created equal and that there are developmental projects and dependency projects?

Is the Government investigating whether the projects are adding value to the Scottish economy or taking Scottish economic sovereignty out of the country?

Ivan McKee: Of course I understand that, and I will talk about the approach in the inward investment plan to focusing on maximising values alignment between what we are trying to achieve and what inward investors are trying to achieve, for the benefit of Scotland's economy.

The export plan focused on answering four key questions. First, on which markets we should focus on, the plan was very clear on our top tier of 15 and our second tier of 11 international markets. It looked at which sectors we should prioritise. It said that we should support small, medium-sized and large businesses through а smart segmentation process, which has been delivered to great effect. It also looked at how to mobilise team Scotland, whether that is via Scottish Development International and its specialists in markets or through our GlobalScot network, our trade envoys or universities' alumni. The whole of team Scotland, internationally, is delivering on that plan.

The inward investment plan was about understanding where there were global opportunities-where the flows of FDI met Scotland's strengths. We identified nine subsectors where Scotland delivered those strengths, and we focused on ensuring that we went after those areas of opportunity. That clarity has delivered the results. We had a clear focus on the regional impact of the results and, as I mentioned, we are as a consequence seeing benefits across Scotland, including in rural areas and elsewhere. Many of the examples in the update that has been published today are of businesses that have invested in rural parts of Scotland.

We focused on the spillover benefits, and I have mentioned their impact. Importantly, values were absolutely central to our inward investment plan. We look for inward investors that share our values on net zero, the wellbeing economy and delivering living-wage jobs as a minimum—often, such jobs are high paying—and we look for businesses that are focused on the transition to net zero, which we are focused on delivering. That aligns very much with our vision for trade.

The work that we have done answers Paul Sweeney's point—we absolutely recognise that there are different types of foreign investment, which is why we work proactively with investors that we know share our values.

Willie Rennie (North East Fife) (LD): On that point, we are almost halfway through the minister's contribution and he has not mentioned the alarming and troubling situation with GFG Alliance, the Lanarkshire steel mills and the Lochaber smelter. Will he address that? Everybody would like to hear what the Government's response is to that situation.

Ivan McKee: I thank Willie Rennie for that point. I know that he never misses the opportunity to raise that issue, and I never miss the opportunity to put him right on the situation with GFG Alliance.

First, Willie Rennie made a point before the debate began about the publication of the documents for the debate. I would have been happy to provide the documents earlier, but I am informed that parliamentary procedure is such that documents can be published only shortly before the debate. However, I am delighted to take as many opportunities as members want to debate the issue, to share information with members and to meet them in any forum that they like to discuss the issue further.

On the point about GFG, I make the point very clearly that the smelter is still there—it is still employing people and it is increasing the number of people who are employed. No payments that have been due to the Scottish Government have been missed, and the Scottish Government's liabilities as a consequence of the deal are more than covered by the assets that the Scottish Government has a call on.

We see that as progress. I know that the member would rather that the place had shut six years ago, but that is not the business that we are in—we are in the business of saving jobs as a consequence. [*Interruption*.] I need to make some progress; I have only two minutes left.

I will make one further point that is important. We see inward investment as very much complementary to building indigenous supply chains and building the clusters that maximise Scotland's economic impact in our key sectors. We see attracting inward investment as being good for Scottish businesses, as it gives them more opportunity and more access to global talent, technology and markets, and it helps to build the clusters that position Scotland's businesses at the forefront of global technologies.

Jamie Halcro Johnston (Highlands and Islands) (Con): My intervention is on the point that Willie Rennie raised. Does the minister have any concern about newspaper reports about GFG Alliance's Lochaber smelter and Dalzell?

Ivan McKee: We engage frequently with our advisers and with GFG Alliance. We understand the challenges that GFG Alliance is going through and we are focused on maximising value to the Scottish economy. I go back to what I said—is the member arguing that we should have allowed the smelter to close? If that is what he is saying, I do not think that his constituents would be very happy

about that. We have delivered for the economy and for the people of Scotland—[*Interruption*.] I need to carry on and make some points.

I will talk briefly about businesses that are covered in the reports that we have issued today. There are many examples of businesses that have maximised their export potential as a consequence of working with SDI, the Scottish Government and the whole of team Scotland to deliver on the actions in the plans. Likewise, inward investors have had significant confidence in Scotland as a result of what we have described in the plans, the communications and ministerial engagement that we have had and the work that has happened to build strong relationships with investors.

It is worth noting that 70 per cent of inward investment over the recent period has been repeat inward investment from investors that are already here and have strong confidence in the Scottish economy. This morning, I visited the Tartan Blanket Co down in Leith. I say to those who have not been there that it is well worth a visit. That business has gone from being a start-up to one that is turning over £5 million. It is growing by 50 to 60 per cent per year, and most of that business is export. It is a hugely encouraging success story that we have been delighted to support.

I recently visited DSM down in Dalry. It has chosen to invest £100 million in its methanereducing feed additive and it is building a global manufacturing centre for that here, because of its confidence in the Scottish economy and its ability to deliver what it needs to do on the global stage.

I could go through a whole list of things in terms of the specific actions that we have taken and what we have delivered on. They are in the reports for members to read. I could also spend considerable time going through the actions that we are still working on that will further strengthen our exports and inward investment performance. They are also in the reports for members to read.

We will continue to deliver on the plans. I will continue to engage with officials on a monthly basis and with our agencies to make sure that we are completely focused on delivering on the plans.

I will make one final comment. What the documents demonstrate is the strength of Scotland's economy and what Scotland has to offer the world in key technology sectors of the future. Across those key sectors and in all regions of Scotland, to realise the full potential of Scotland's economy and do even better than we have done so far, Scotland needs the full powers of all economic levers and the full powers of independence.

The Deputy Presiding Officer: I advise members that we have no time in hand, therefore

interventions will have to be accommodated in your speaking time allowance.

15:33

Liz Smith (Mid Scotland and Fife) (Con): I add my concerns to those that were expressed by Willie Rennie. We did not receive the documents in good time. There was something that came out last night, but the two documents that were published today came out with very little time for us to consider them. Particularly for a debate for which there is no motion, and therefore no guidance—

Ivan McKee: Will the member take an intervention?

Liz Smith: Yes, of course.

Ivan McKee: I will be honest. I asked that the documents be published as soon as possible. They are a great news story and I would love members to have had as long as they should have had to review them. We were advised that parliamentary protocol was that, if we are debating something, we can publish it only shortly before the debate. If that is incorrect, I would be delighted to take that on board and talk to the relevant officials, but that is the advice that we had about parliamentary business and parliamentary protocol.

Liz Smith: As a former chief whip who attended the Parliamentary Bureau, I do not think that that is quite accurate. There is an issue about having a debate about important documents—let us be honest, there is some good news in them—rather than on a motion. We do not have the ability to amend anything, and that slightly constrains us in the material that we can use.

Ivan McKee: The reason why there is no motion is that we were still in the mourning period and had been advised that, as a consequence, a motion could not be lodged—if that is incorrect, I am happy to be corrected, but that is the advice on protocol that we had.

Liz Smith: I think that there is some substance to debating the issue. We will leave it there.

This afternoon, the minister spelled out that, among all the gloom of the current economic forecasts, there is at least some good news for Scotland, in the trends in inward investment and exports. That is good news, and we should it. We should especially acknowledge acknowledge that, according to the EΥ measurements, Scotland is performing well-just behind London-when it comes to attractiveness for inward investment, outpacing the growth in the UK economy and in many other nations. It is good to see that Edinburgh, Glasgow and Aberdeen are functioning well.

However, Daniel Johnson made a good point in his intervention: it is about qualitative as well as quantitative changes. We have to look at the outcomes of decisions. It is extremely welcome news that 4,400 inward investment jobs were delivered in 2020-21, on top of the 4,408 new jobs that were created by foreign direct investment, especially in advanced engineering and electronics, but there are qualitative judgments to be made. Perhaps the minister will come back to that in his summing-up speech.

Prior to this debate, the minister has been open about the Scottish Government's intention to increase the value of Scotland's international exports to 25 per cent of gross domestic product by 2029. Although there is still an awful lot of work to do, there are encouraging signs, especially in the context of chemicals, some manufactured goods and financial services. That is helpful.

A concern of mine is that, according to the most recent business polling, although two thirds of exporting businesses are relatively optimistic about trade, a third are much less confident—and, in some cases, pessimistic—given the on-going supply chain disruptions that they face as a result of the war in Ukraine and the tail end of the pandemic. I will come back to that third in a minute, as they have extremely important advice for both our Governments.

Therefore, although the minister is right to identify the good news-I will not counteract thatwe have to set it in the context of the wider economic forecasts. We have debated the issues many times in past months. For many months, the Scottish Fiscal Commission has been highlighting a lot of weaknesses in the Scottish economy. Some of those are inherent in the UK economy, too, but the weak productivity in the Scottish economy is very serious. When we consider that along with demographic issues-we are told that in the next 50 years the population in Scotland is likely to fall by 16 per cent, with an emphasis on the problems of a shrinking working populationwe can see that it makes for very difficult circumstances for us all.

The long and short of it is that much more needs to be done to ensure that Scotland is a much more attractive place in which to live and work, as well as in which to invest. That is the bigger picture to which we need to pay attention. It is the strong message from business and industry. As well as investment incentives, we need tax incentives, a better environment for innovation, and skills. If those are not in place, the rest of our endeavours to take full advantage of the improving performance around inward investment and exports growth will fall short.

Let me address a few of the issues; my colleagues will make more detailed comments.

There is no doubt that business asks us time and again for an assurance that our two Governments will work together and not against each other. Businesses have seen effective co-operation on, for example, city deals, free ports and infrastructure projects. That co-operation has worked well and needs to be enhanced, particularly—dare I say it?—in light of the cost of living situation.

It is also the case that business must have as much certainty as possible in these difficult times. That is just one of the reasons why we have been asking the Scottish Government to match the UK Government's pledge to reduce income tax from 20p to 19p in 2024, which will obviously have a knock-on effect on the block grant adjustment and lots of other issues to do with the tax take.

When I read the detail of the medium-term financial strategy, I saw a slightly worrying hint that there could be an increase in the business rate at some stage. That is causing the business community concern; it, too, points to productivity trends and demands that we do an awful lot more to support business through upskilling and reskilling. There is an important difference between those two things. The Scottish Parliament needs to be on the side of business when it comes to helping to address the barriers in the private and public sectors that restrict modernisation and impact employment and entrepreneurship.

I will make a brief comment to finish off. It is good news that the export side and some of the inward investment side is going in the right direction, but we should set that in the context of the bigger economy and ensure that we do everything else that we can in economic policy to enhance the progress that we are making.

15:40

Daniel Johnson (Edinburgh Southern) (Lab): We have grown used in recent months to hearing about the cost of living emergency and the harsh reality of people's wages not stretching to pay their bills or cover the cost of their shopping and the fundamentals of life.

The stark truth is that this emergency has not come out of nowhere. Wages have been stagnant for a decade—a fact that the UK Government seeks to ignore. Liz Smith hinted at another stark fact, which is that

"Scottish productivity growth has stalled since 2015."

Those are the Scottish Fiscal Commission's words, not mine. That is coupled with the fact that the way that the fiscal framework works, which was agreed to and trumpeted at the time by John Swinney, is that when our income tax receipts grow more slowly than the UK average, we have

less money to spend. Although there is good news today, we need to grapple with those fundamental and serious issues.

I welcome the opportunity to debate those issues, but like others, I lament the fact that we have had no real time to digest what is contained in the papers. There is nothing to prevent the Government sharing them under embargo, and frankly, it is slightly shameful to point to the Queen's death as a reason why they could not be shared.

The fundamental issues and trends are those of productivity and wage growth.

Ivan McKee: Will the member take an intervention?

Daniel Johnson: If the minister would like to apologise, by all means.

Ivan McKee: The member is inaccurate on that point. I said that the reason why there is no motion is as a consequence of the events of recent days. That is not the reason why the documents were not published; I have explained three times why the documents were not published.

Daniel Johnson: I am not clear that that explanation is any better.

I welcome the three plans from the Scottish Government, because in broad terms they deal with how those issues can be tackled through exports, capital and inward investment. I recognise that they are an attempt to deal with the serious and difficult issues of the need for co-ordinated investment that is underpinned by infrastructure, the need for sustained focus on skills and human capital—those two things are linked with investment—and clarity about the things that we want to make and the services that we want to provide and sell to the world. Having that focus is fundamental if we are going to be successful.

Overall-I will confine myself to the plans because I have not had the ability to engage with the results-there are shortcomings in the plans. First and perhaps most important, we have failed to learn the lessons of the past. The plans are overly reliant on foreign direct investment. There is an all-too-familiar pattern of jobs being lost from industries such as shipyards, steelworks and factories. Various Administrations have trumpeted replacements from overseas employers and new industries. We could all name the electronics firms that came in the 1980s only to go in the 1990s and 2000s. No one talks about silicon glen any longer. Those mistakes were repeated with wind power generation, because no one talks about the Saudi Arabia of wind any longer. Although ScotWind is namechecked in all the plans, there is little more than verbiage around domestic supply chains to

guarantee that those mistakes are not being repeated.

Ultimately, the plans fail to engage with how we can make those investments stick and create the conditions whereby when people invest in Scotland they do so because this is the only place that they can make the things that they want to make and do the things that they want to do.

Another key issue that runs through the plans is the lack of analysis and clarity around how they are to be implemented. That is a key criticism of the national strategy for economic transformation, and it is echoed in the plans. There is no real analysis of what has worked to arrive at this point, and therefore of how we can build on it—let alone what has not worked.

Ivan McKee: Will the member take an intervention?

Daniel Johnson: No, we have already had plenty of interventions from the minister.

The inward investment plan is much the same. There is no clarity about what the enhanced status for the selected industries will be or about what assistance they will receive. Likewise, we hear much about alignment with higher education, but no analysis of what makes our higher education sector successful or how we enhance it. There is talk about clusters, but no discussion on planning policy and similar things that hold back investment. I hear about that time and again from sectors ranging from renewables through to life sciences.

Perhaps most concerning is the failure of the plans to draw conclusions of their own from the little analysis that they provide. The inward investment strategy document sets out different productivity levels depending on domestic investments compared with overseas and RUK investments; those differences can be as much as 20 per cent to 50 per cent. Without showing any analysis, the Scottish Government seems to assume that, by virtue of that investment being foreign it somehow improves productivity. I suggest that it is because those enterprises receive investment. I think the fact that there is a difference between UK and domestic investment should be a cause for great concern, and actually, that underlines the problem that we have with indigenous, domestic investment.

I welcome focus on investment and delivering new jobs, but my fear is that we are failing to learn the lessons of the past. If the Government in London is trying to reheat and revive trickle-down economics, I think that the Scottish Government is labouring under the outmoded idea that the only form of investment that is valuable is that which comes from overseas. 15:47

Willie Rennie (North East Fife) (LD): I want to talk about the GFG Alliance, the Lanarkshire steel mills and the Lochaber aluminium smelter. The minister is laughing, but this is a very serious situation and he has not addressed the substance of the matters that I am about to cover, at all. Since we did not receive the documents in advance, I think that it is appropriate for the minister to answer questions despite his desire to shut me up.

We know that the Lanarkshire steel mills are owned by Liberty Steel, which is part of the troubled GFG Alliance and was previously owned by Tata Steel. The minister did not refer to this, but auditors King & King quit recently, stating that they were unable to complete audits, and I have new information today. A new freedom of information request confirmed that ministers—including the First Minister—were told of the risks of the deal when they signed it off. Those are risks that the minister, Ivan McKee, has since avoided telling Parliament about even when we asked him directly.

Let me spell out exactly what that means. Ministers chose to throw their weight behind Liberty Steel despite the Government's top economic official writing to Nicola Sturgeon warning of

"very significant political, financial, state aid and legal issues"

and stating that they carried

"significant state aid and financial risk"

because of Tata's terms.

Ministers were specifically warned—by their own advisers—about a lack of due diligence, the risk of the "untested" state aid position and the risk of not having a business case

"that sets out the rationale for our intervention."

Ministers were also warned that the Government could become liable for the environmental costs. That calls into question Ivan McKee later telling Parliament that

"it was not our intention to sign up to a contract clause which may not comply with state aid requirements."— [*Official Report*, 15 December 2021; c 24.]

He did so despite being warned by the top economic adviser that that was exactly what they were getting into. Ministers knew fine well that that was a risk, and they were warned about it by their adviser.

Tata refused to deal directly with Liberty Steel because it did not know enough about the company or its business plan and it was already in a discussion with another company, Greybull Capital. The price of Tata not selling to Greybull, was for the Scottish Government to take on Tata's "past and future" liabilities through a back-to-back deal. Members will recall that the Scottish Government has since tried to renege on the commitment to take on the environmental liability if Liberty Steel were to collapse and the GFG Alliance were unable to step in.

Tata had another buyer and the Government was warned about the state aid rules and financial risk but charged ahead with a company that is now on the verge of collapse, and the minister does not think that it is appropriate to fill us in on any of that detail. All that reveals a reckless disregard from ministers, a dismissal of advice and warnings and a failure to be open and straightforward with the Parliament about the decisions that were taken behind the scenes. The workers and the taxpayers might pay the price.

I turn to the Lochaber aluminium company, Alvance British Aluminium, which is also owned by the GFG Alliance. In unaudited accounts, Mr Gupta outlines

"material uncertainties that cast significant doubt on the company's ability to continue as a going concern."

That is the top man expressing his real concern about whether the company will continue to be a going concern. However, again, the minister does not think that it is appropriate to update members on his—

Ivan McKee: Will Willie Rennie give way?

Willie Rennie: Believe me, I have more to come.

Members will recall that Mr Gupta acquired the Lochaber plant and its accompanying hydro power station in 2016. However, documents filed at Companies House reveal that, although the Scottish Government provided guarantees of up to \pounds 500 million for the deal, Mr Gupta put in just \pounds 5 towards it. Now, the assets are valued at \pounds 100 million more.

Ivan McKee: Will Willie Rennie give way?

Willie Rennie: The minister has time in his closing speech. I tell him that I have an awful lot more to get through.

Despite flashy promises of 2,000 jobs and a new billet plant, nothing has materialised, even though the Scottish National Party Government provided hundreds of millions of pounds of financial guarantees.

Ivan McKee: Will Willie Rennie give way?

Willie Rennie: No.

It is pretty clear now that the minister and the Government were duped by GFG Alliance. The Scottish Government must set out what will happen to the financial guarantees that it has provided, to the plant and, most importantly, to the workers.

Ivan McKee: Will Willie Rennie give way?

Willie Rennie: The minister has time later.

I do not have the time to remind the chamber of the issues from the failed company BiFab and the loss of millions of pounds for no return. All in all, we have a Scottish Government that is cavalier, ignores advice and uses vast sums of public funds to make political gestures rather than sound economic investments.

The industrial intervention strategy is simply not working. It is about time that the Government was open about the situation that it has created.

15:53

Fiona Hyslop (Linlithgow) (SNP): I will address the debate. It is a pity that Mr Rennie did not take the intervention that the minister offered.

Scotland has what it takes to be a successful country in key areas of dynamic international growth—renewable energy, digital and life sciences in particular. We have regularly operated a trade surplus in the past, unlike the rest of the UK, and we are an international partner of choice, as the minister set out.

A strong inward investment and exporting base is important for a number of reasons. Exporting companies tend to be more innovative, productive and competitive. However, trading strength is but one of a number of firm bases that are needed for economic transformation. As the Economy and Fair Work Committee pointed out in our report on our inquiry into Scotland's supply chain, we need strong indigenous companies with secure supply chains to survive despite the economic shocks of pandemics, European Union exit and war in Ukraine.

In particular, inward investment as a result of the takeover of previously Scottish-owned companies is a double-edged sword, as it can diminish our Scottish-owned entrepreneurial company base. New inward investment has benefits and brings more high-value jobs—I say to Daniel Johnson that that means growing Scottish income tax levels—and we have export strengths, too.

In my area, West Lothian, we can count some of the most successful of inward investment and export businesses. We have Mitsubishi Electric, which has made a £15 million investment announcement, and Shin-Etsu Handotai Europe. In life sciences, there is Q^2 Solutions, whose European laboratory services operate from Livingston. We also have exporters Calnex Solutions in Linlithgow, which I visited a few weeks ago and whose test instrumentation for network synchronisation has secured orders from more 600 customer sites in 68 countries across the world.

Scotland's educated workforce, superb worldleading research universities, great natural energy and other capital are all areas where the Scottish Government has specific responsibilities for leadership. Although the Government can create the conditions to foster and promote success, it is the businesses that choose to invest here that will deliver economic growth from exports.

However, the Scottish Government does not currently hold the key levers to face down fiscal challenges and build resilience in the economy to support trading business. It is the UK Government that benefits from corporation tax and VAT income, but it is also responsible for the plummeting of the pound, rising inflation and the collapse in the number of companies that are wanting to export. The UK economy has seen decades of decline relative to comparator countries and the current state of the economy is extremely serious, with an historic low value of the UK pound.

Liz Smith: I agree primarily with what Ms Hyslop has set out about some of the strengths that Scotland has and what it can achieve. However, does she accept that one of the great concerns for business is the fact that if Scotland moved towards an independent state we would end up with a hard border between Scotland and the UK? When 60 per cent of our trade is with the UK, how does that help?

Fiona Hyslop: If Ms Smith looks at some of the issues around exports to the UK, those are in services and in value areas such as electricity. If we are talking about energy security, which I am about to come on to, there is a benefit in terms of the exports of our energy and electricity. I have no doubt that the minister will explain that those are issues that will be looked at in paper form by the Scottish Government when setting out the current case for Scottish independence.

We have a relative decline in the UK, but that does not mean that the Scottish Government does not also have responsibilities. The Scottish Government needs to drive forward integrated policy, and renewable energy must be at the heart of the Scottish Government's economic policies. We will be—and already are—a magnet for international companies, but we are in danger of leaching the rewards and benefits overseas to international shareholders instead of benefiting from jobs or cheaper energy—and that is likely to get worse under a Liz Truss led UK Government.

The Scottish approach should be based on energy security for the future. We are and can be

world leading as we build a just transition from oil and gas, using those skills for carbon capture, utilisation and storage and to deliver renewable energy. We have the energy, but we do not have the government powers. An independent Scotland could provide energy security for individuals, nationally and internationally, in order to tackle climate change and to help partners to withstand hostile aggression. However, we must execute that with pace and opportunity. The plans for green hydrogen exports, particularly with Germany, must be grasped and pursued with vigour.

We are not currently meeting the rapid escalation of demand in terms of development or manufacture. Instead, we have been resting on hydrogen research while other countries surge ahead. Scotland has so much potential, but its prospects are dictated by a UK that is in decline. Indeed, the Organisation for Economic Cooperation and Development has just this summer forecast that the UK will deliver zero per cent economic growth next year, which will be the lowest of every G20 member bar Russia. It is said that the true measure of wealth is the state of a country's populace, and it is a sign of relative decline that 63 per cent of Ireland's poorest people have better living standards than the poorest people in the UK. Other countries have also experienced Covid disruption and the impact of Russia's war on Ukraine, but none has instigated its own self-inflicted economic damage of Brexit and leaving the European Union. A third of companies reducing their exports is beyond alarming.

Scotland means business. The UK is stunting our growth potential and if we want economic transformation and growth, then Scotland needs to be complete in its government powers for growth to generate an entrepreneurial attitude and use the energy of its people, talents and resources. Most importantly, the wealth of Scotland needs to be rewarded, rooted and returned to the people of Scotland for the benefit of the people of Scotland.

15:59

Douglas Lumsden (North East Scotland) (**Con):** I welcome the unusual focus today on issues that actually matter to this country, but I must also highlight the fact that the current targets in this area that have been set out by this Government remain, like many others, unmet.

In 2019, the Scottish Government published its targets for exports, and it has fallen short, missing those targets by between around 10 per cent and 16 per cent. The promised 50 per cent increase in the value of international exports has been consistently missed.

Ivan McKee: Will the member take an intervention on that point?

Douglas Lumsden: I have no time for interventions.

It is also important to note just where our exports are going. The rest of the UK accounts for £52 billion of Scotland's exports-three times larger than the EU's share. The rest of the UK is our largest export partner. Between 2002 and 2019, 62 per cent of Scottish exports went to the rest of the UK, with 17 per cent to the EU and 20 per cent to the rest of the world. According to the Fraser of Allander Institute, half a million Scottish jobs-one in four jobs-are supported by trade with the rest of the UK, yet this SNP-Green devolved Government wants to put in place barriers between Scotland and the rest of the UK. The idea of placing a hard border between us and our largest trading partner is, quite simply, a disgrace.

In contrast, the UK Government is working hard to secure investment throughout the UK. In 2020, it established an office for investment to further attract foreign investment into the whole of the UK—

Ivan McKee: Will the member take an intervention?

Douglas Lumsden: I have no time; sorry, minister.

It also established initiatives such as the high potential opportunities programme and free ports to assist with the movement of goods.

The UK Government has launched a new trade hub in Edinburgh to attract inward investment and, through the hub, businesses are able to use the UK Government's global networks, expertise and influence to grow trade overseas.

When the Scottish Government's inward investment plan was launched, the minister said:

"Domestic businesses can learn new ways of operating. Managed well, this brings opportunities across Scottish supply chains and ensures our skills system and management match global standards."

I think that the key phrase in all of this is "managed well". Will this be as well managed as the ferries contracts, the Rangers debacle, the national health service waiting times or the crisis in local government funding? The SNP-Green coalition of chaos has no credibility or track record when it comes to managing things well.

Ivan McKee: Will the member take an intervention?

Douglas Lumsden: We got this document an hour before the debate, so I will not take any interventions.

Ivan McKee: Will the member take an intervention on that particular point?

Douglas Lumsden: No, the minister has already answered a question on that, and his answer was not very good.

Ivan McKee: The member was not listening.

Douglas Lumsden: I was listening, and it was a load of rubbish.

I fear for the future of this policy, given that many of our core businesses and services rely on investment and exports for their futures.

comes inward investment, When it to businesses are looking for certainty and security, and the constant threat of another divisive independence referendum is driving investment away. At this time, supporting our recovery from the pandemic and helping businesses through the global cost of living crisis should be our main priority, not stoking division and dissent and creating borders where none should be. A border between Scotland and England would end the free movement of goods in Great Britain through the imposition of a trade border between Scotland and England, our main trading partner. Independence is never going to happen, but the constant threat of it is harming us and driving investment away.

When I was reading the investment plan last night, I thought that I had missed a chapter. The oil and gas industry has been a key part of our economy and inward investment, but this devolved Government seems to want to airbrush it out of our economy. It is clear to see, when you look at the table in the plan, that wages in the north-east are at the top when it comes to foreign-owned firms. That is down to the energy industry, but this Government seems intent on driving that investment away, just to appease its Green partners. While we still have a need for hydrocarbons, we should be supporting the industry in this country, not relying on imports from other countries. That is better for our jobs and our economy as a whole.

The Finance and Public Administration Committee constantly hears that we are underperforming compared with the rest of the UK, and a big part of that is because of what is happening in the north-east of Scotland, but it is clear that this Government has turned its back on the industry and the north-east.

We have heard a lot from this Government about the energy transition, which greatly affects the north-east, and we have had many debates in the chamber about a just transition. Given our global energy crisis, I welcome the UK Government's pragmatic approach to developing domestic supplies of the fuel that we need while we move away from fossil fuels and towards sustainable energy. I know that the energy companies in the north-east welcome that approach and see an energy transition as the way forward. The SNP-Green Government would send them off a cliff edge, which would make us more reliant on foreign oil and gas and less able to be self-sufficient. That policy would be detrimental for the economy of the north-east; it would not increase investment but decimate it.

Once again, if this SNP-Green Government is serious about investment in Scotland and growing our exports, it should not pursue the obsession with splitting up the UK and creating uncertainty. Instead, it should support and work with the UK Government and understand that the trading might that we have as a United Kingdom is far greater than we can ever achieve if we split from our largest partner.

16:05

Kenneth Gibson (Cunninghame North) (SNP): During the Covid-19 pandemic, the Scottish Government decided that it would work to rebuild our economy in a way that is ethical, bold and aimed at sustainable growth, and it published its inward investment plan in October 2020, followed by a global capital investment plan in March last year. With the pre-pandemic export growth plan, those strategies give Scotland a three-pronged approach to achieving sustainable export growth. In addition, the Scottish National Investment Bank and international trade envoys and offices help Scottish businesses in their efforts to secure investment and exports.

According to Scottish Development International, 7,780 planned real living wage jobs were created by inward investment projects in 2021-2022, with 39 investors choosing Scotland for the first time. Scotland grew eight times faster than the UK in terms of attracting foreign direct investment projects, while the UK as a whole had the lowest rate—bar Greece—of business investment among the 37 countries of the Organisation for Economic Co-operation and Development.

The 2022 EY attractiveness survey shows that Scotland's perceived appeal to investors now sits at a record high, with 15.8 per cent rating Scotland as the UK's most attractive location. That is up from 15 per cent last year and more than double its 7 per cent in 2019.

More than 90 per cent of the inward investment projects are in the nine areas of opportunity identified in the SNP Government's inward investment plan, which accurately assessed Scotland's needs and strengths, as well as our ability to attract the right investment.

I am delighted at recent investments that have been made in my constituency of Cunninghame North. At the 26th United Nations climate change parties-COP26-Dutchconference of the global headquartered health and nutrition company Royal DSM announced that its groundbreaking feed additive Bovaer, which drastically reduces cattle-produced methane, a molecule with more than 80 times the warming impact of carbon dioxide, will be globally manufactured at the firm's site in Dalry, to which the minister referred. That site will be fully operational by 2025. Dalry was chosen over dozens of other global sites, which shows the confidence that DSM has in Scotland and its Ayrshire workforce. The £100 million of private investment is supported by £12 million of Scottish Government support through Scottish Enterprise, which will sustain or create at least 350 high-quality, well-paid jobs, including places for dozens of new apprentices, who were delighted when the minister visited just last month.

Terms such as foreign direct investment, inward investment and export growth sound abstract and make us think of markets rather than people. However, when I visited DSM during Scottish apprenticeship week and spoke to young employees, I was reminded how much new investment means to real people and how it provides many with an opportunity to enjoy a potentially well-paid, highly skilled and secure career.

DSM aims to have 119 apprentices by 2024, some of whom will work on Bovaer. That groundbreaking project has been a long-term strategic investment by Royal DSM into improving sustainability. Having Bovaer produced in Scotland allows us to make a huge contribution to the reduction of global greenhouse gas emissions from milk and beef production, and from sheep, because it dramatically and consistently reduces enteric methane.

I have asked the Scottish Government how it intends to incentivise use by Scottish farmers of that new sustainable feed additive. Once the UK joins other countries, from the Benelux countries to Brazil, in providing regulatory approval for Bovaer, I expect that Scottish ministers will be keen to assist our farmers in providing that lowcost additive, which is probably the most costeffective way of reducing the impact of our emissions. Such support will surely encourage many others to buy Bovaer, thereby having an even greater impact on limiting climate change globally.

In other welcome news for people who are keen to work in Cunninghame North, an impending new project at Hunterston is expected to provide 900 jobs directly by 2024, with thousands more generated in the wider supply chain across Ayrshire and beyond. The new facility will manufacture cables for what will be the world's longest subsea infrastructure for the Morocco to UK solar power project.

However, that project almost did not happen. In May, the project director of Essex-based company XLCC contacted me to say that, because North Ayrshire Council's planning committee was not going to consider the company's planning application until August, the project could go to Teesside, where it would be considered first.

I immediately contacted North Ayrshire Council's SNP leader Marie Burns and chief executive Craig Hatton, and that very same day, they agreed to bring planning consideration forward by eight weeks. Planning consent was granted. That episode shows how crucial the timing of such decisions can be. As anticipated, some employees of Hunterston B, which was closed in January, will transfer their skills, which is inward investment aiding the just transition.

We are making great progress in exports, too. Three weeks ago, I visited Dunbia Highland Meats in Saltcoats, which exports 16 per cent of its product. That state-of-the-art cattle processing facility employs 325 people on site, and it works with more than 1,000 Scottish farmers who are all no further than four hours away from Saltcoats. The cattle are born and reared in Scotland to the highest standards. The boning hall, which represents a £12-million investment in more efficient processing, was built with the assistance of a food processing, marketing and co-operation grant of £2.5 million from the Scottish Government.

Another successful company indigenous to North Ayrshire is the highly innovative steel fabricator J & D Pierce (Contracts) Ltd, which was founded by Jim Pierce in 1975 and now employs 425 people. It is the largest steel fabricator in the northern half of the UK.

It is crucial that we create and sustain jobs of all skill levels across North Ayrshire and beyond, and I am optimistic about the prospects that that offers my constituents and others in the west of Scotland. I am keen to see more companies invest in my constituency—we have plenty to offer and we need to create and sustain greater levels of employment.

At a national level, many people will have been heartened that Scottish Development International will lead Scotland's presence at the five-day Hannover Messe integrated energy expo in April next year. The expo is one of the largest events of its type in Europe, attracting more than 1,800 exhibitors. With the 2019 expo having led to £27 million of export sales for Scottish exhibitors, next year's event promises to again provide a valuable opportunity, which, sadly, the UK Government will not be participating in.

The Scottish Government also published a special export plan for tech companies that supports the specific needs and aims of Scotland's valuable technology sector, which provides 83,610 jobs and has a £21.6 billion turnover.

It is important that we use the limited powers that we have to nurture and grow our businesses and markets, and the Scottish Government continues to do just that by looking forward and outward. It will do even more with independence.

16:12

Richard Leonard (Central Scotland) (Lab): Let me begin with a few facts. We export 50 per cent more to the rest of the UK than we do to the whole of the rest of the world put together-fact. We export three times as much to the rest of the UK as we do to the whole of the European Union combined-fact. Exports that are shipped via a port in England to France are classified as Scottish exports to France-fact. Those are all published in the Scottish Government's own "Export statistics Scotland"-fact. Therefore, to the nationalists who want us to break away, set up a separate currency and withdraw all of our democratic representative votes and voices over the political and economic direction of our biggest export market, I say that they are presenting a prospectus not for gaining control, but for giving it away.

Here is another fact: we have a state investment bank that has made its biggest investment—£50 million over five years—not in our manufacturing base or with a Scottish exporter of high-value services, but with the Gresham House forestry fund, which admits that only 60 per cent of that investment from the Scottish National Investment Bank will be directed to Scotland. This is an asset management company whose primary business objective is not to plant trees, and it is not to save the planet; it is to aid the super-rich to avoid paying tax. Go and look at its website—it offers favourable income tax treatment, exemptions from capital gains tax and 100 per cent relief on all inheritance tax. When the minister tells us that

"Government-backed investment funds are designed to fill key gaps in the continuum of growth capital to enable Scottish companies to scale up",—[*Official Report*, 29 June 2022; c 130.]

he must know that that is not what is going on out there in the real world.

Here are some more economic facts. One worker out of every three in Scotland is now employed in a company that is owned and controlled outside Scotland. More than half of the turnover in the Scottish economy is owned and controlled outside Scotland. More than two thirds of business research and development and more than three quarters of Scottish exports are from businesses that are owned and controlled outside Scotland.

I know that the minister is relaxed about that, but I put it to him that that overreliance on mobile extractive capital means that the Scottish economy is, in effect, entirely dependent on decisions that are made by a small number of financiers, speculators, landlords and capitalists in faraway boardrooms.

Long-term strategic decisions on investment, on production, on jobs, on supply chain procurement and even on marketing and sales are not made here but are made externally. All too often, that has meant lagging productivity, poor-quality, nonunion jobs, downsizing and, ultimately, a heightened vulnerability to closure. All the time that that is going on—and the Scottish Government continues to quote, ad nauseam, the EY attractiveness survey—local indigenous business development is stuck at dangerously low levels.

Compassion, solidarity and a sense of common good—values so evident during lockdown—were so scarce in our economy pre-Covid-19 that many of us vowed that we must never go back. However, when I listen to the debate today, it sounds like we have.

I say to ministers that they cannot base their economic policy on being

"a magnet for inward investment"

and, in the next breath, say that they want

"a country where economic power and opportunity are distributed fairly".

They cannot have both. This is not a policy for taking back control; it is a policy for giving it away. This is not a policy for selling Scotland, as the document says; it is a policy for selling Scotland off.

What we need—what we have long needed—is an industrial strategy that is investment led, jobs first, people centred and manufacturing driven, based on democratic economic planning that is environmentally sustainable, co-operative and built from the bottom up.

We do need a redistribution of power, but towards working people. That is not about putting a few token people on a few token boards; it is about the producers controlling more of the organisation of the production process and the wealth creators controlling more of the distribution of the wealth that they create. We do need transformation—a transformation of the social and economic forces that breed poverty, inequality and class division: not merely managing the economy, but fundamentally changing the economy That is what we need to do, and the sooner we start, the sooner we will deliver the very real economic and environmental social transformation that the people of this country are crying out for.

16:18

Jackie Dunbar (Aberdeen Donside) (SNP): I welcome the opportunity to speak in this vital debate on Scotland's inward investment and export growth plans.

Scotland is leading the UK when it comes to securing foreign direct investment, in spite of the significant challenges that Brexit and the pandemic pose. Scotland is an attractive country for investors due to our highly skilled workforce and strong business networks, which are supported by regional economic advisory bodies.

Our goods exports, excluding our oil and gas, increased by 5.7 per cent from March 2020 to March 2022, while UK goods exports decreased by 2.9 per cent in the same period. Indeed, Scotland attracted 119 inward investment projects in the year to the end of March 2022, which is a 29 per cent rise from the previous 12 months, creating 4,408 new highly skilled jobs for people here in Scotland. That shows that our Scottish Government's approach to attracting investment is working.

People and business are prepared to invest here due to our progressive, internationalist outlook, as compared to the that of the insular, ideologically driven UK Government. Scotland has been the most successful nation in the UK, outside of London, for nine of the past 11 years, and for the seventh year running it is the most successful at attracting foreign direct investment. That is a testament to our highly qualified workforce and its exceptional skill base.

Indeed, my home city of Aberdeen, along with Edinburgh and Glasgow, remains in the top 10 locations outside of London for attracting inward investment projects. Our four leading sectors are digital technology, utility supply, business and professional services, and machinery and equipment.

Digital projects in Scotland have increased by an impressive 73.4 per cent, in contrast to a 7 per cent decline in Europe and only a 7 per cent increase in the UK overall. Scotland is now firmly established as the UK's number 2 location for digital projects, behind London. That is welcome, and Scotland will continue to do all that it can, within the bounds of the devolution settlement, to have a progressive approach to attracting inward investment. Scotland will show its success as we build on our record as a world leader. It would be remiss of me to discuss the success of Scotland's approach to inward investment without acknowledging the challenges that we face that have been caused by the UK Government. Brexit is forecast to cause more harm to the economy than Covid did. The Office for Budget Responsibility has forecast that the impact of Brexit on UK productivity will be worse in the long run than the impact of Covid-19, with Brexit reducing the UK's potential productivity by 4 per cent—which amounts to around £40 billion a year—whereas the pandemic is expected to have reduced it by 2 per cent.

Indeed, recent trade statistics underline the negative impact of Scotland's forced exit from the EU. Scotland's total trade with the EU was 16 per cent lower in 2021 than in 2019. Trade with non-EU countries fell by just 4 per cent over the same period. Now, a London School of Economics and Political Science study shows that Brexit-related trade barriers have so far driven a 6 per cent increase in UK food prices, adding to the Torymade cost of living crisis for households not only in Aberdeen Donside but across Scotland. If it were not for the Tories and Brexit, Scotland's exports would be soaring. Do not take just my word for it. Exports of goods to the EU from Scotland were 19 per cent lower in 2021 compared to 2018, while exports of goods to non-EU countries were only 4 per cent lower. The difference was Brexit. Trade figures continue to highlight the negative impact of Brexit on our economy and to strengthen the case for Scotland to be an independent country. We will do so much better when we control our own affairs.

Of course, one potential opportunity could really boost the economy of the north-east, and it would be remiss of me not to mention it. A major regional alliance between Aberdeen International Airport, the Port of Aberdeen, Peterhead Port Authority, Aberdeen City Council and Aberdeenshire Council has announced its formal bid for green free port status for the north-east. If successful, the bid will boost gross value-added income by £7.5 billion over the next decade and usher in a new era of investment, innovation, regional regeneration and opportunities for those who need them most across north-east Scotland.

It is estimated that 30,000 highly skilled, highly paid jobs would come to the region, and I want to help make that happen. Although the minister cannot comment on any particular bid, as the Scottish and UK Governments are still to determine the successful projects, I seek assurances from the minister that the north-east's bid will receive full consideration. Not only could it bring an economic boost to the north-east, it could help the region to reach our net zero ambitions. I welcome this debate, I welcome the progress that is being made to attract inward investment in Scotland and I reiterate my ask for a potential green free port for north-east Scotland.

16:24

Maggie Chapman (North East Scotland) (Green): This debate comes at a time when the importance of energy and the global economy cannot be overstated. For some time, there has been an ambition, which is shared by many here, to make Scotland a world leader in clean energy. The opportunity is well understood. We have massive capacity for wind and significant potential for new technologies such as wave and tidal energy and, despite the failure of the UK Government to support onshore wind, we have installed huge capacity for generation.

As the need to replace Russian gas takes on geostrategic importance, and the need to replace all other fossil fuels grows increasingly urgent, it is vital that we develop the capacity that we have. However, we have a problem. The jobs that were expected to come with the renewables revolution simply have not yet materialised in the Scottish economy. Partly, that is because we are shackled to a UK economy that has little interest in generating those skills and jobs in our economy. Everything that we do is in the context of a UK Government that aims to undermine the Scottish economy at every turn, be that through seeking a hard Brexit or failing to support renewables infrastructure investment and what a previous UK Prime Minister called "green crap".

Douglas Lumsden: Will the member take an intervention?

Maggie Chapman: No.

Part of the reason why the jobs have not materialised is that we have not yet grasped the significance of the new global economy, in which we cannot rely on the very efficient supply chains that have, until now, located manufacturing in the global south. With Covid shutdowns in China, the closure of the Suez canal and the Russian invasion of Ukraine, we have seen that we cannot and should not have to rely on those supply chains. Instead, we must identify onshored supply chains, which might be less efficient in some ways but which will certainly be more reliable. We will move from a just-in-time approach to a just-incase one. We will get the jobs and the skills, and our economy will benefit from providing the clean green energy that can decarbonise the electricity supply.

What is to be done? The severe shortages of chips that are used for electric vehicles, computer processors and many other technologies point to the need to invest in manufacturing. By bringing investment and skills to Scotland, we can create new indigenous innovation networks. We know that Scotland has already been successful in attracting foreign direct investment over the past year, despite significant economic headwinds. However, that influx has largely been into our three big cities, so what about other parts of our country? The UK's attempt to replace EU structural funds follows the same pattern of boosting performance where it already exists.

Ivan McKee: If Maggie Chapman has a look at the analysis that was done in the inward investment report, she will see that inward investment is spread right across the country. On a proportionate basis, many of the regions outside the large cities are even leading the table. There is a real balance.

Maggie Chapman: That is heartening to hear, but it remains the case that much of the investment that we see follows the pattern of boosting performance where it already exists, resulting in more unevenness than we need and would like in our economy.

We know that economic clusters can be more innovative, with thicker job markets, and that they can retain industries in a way that locating sole plants in isolation does not achieve. We therefore need to work to ensure that we support the development of clusters that serve all of Scotland.

The top four sectors that have benefited from inward investment are digital technology, utilities supply, business services and machinery and equipment. Manufacturing has seen significant investments, so we must ensure that supply chains relating to the just transition and circular economy benefit from that trend, and that we build our expertise in areas such as advanced manufacturing and data to create a manufacturing economy. That will build a virtuous circle of investment, innovation, export opportunities and well-paid, good and secure jobs.

Of course, by boosting the attractiveness of direct investment in wellbeing and local agrifood, we will help to tackle the geographic unevenness that we have seen in investment to date. Food poverty is a major issue on the horizon, so there is a strategic opportunity for all of Scotland, but particularly for many of our rural areas, such as those in Aberdeenshire and Angus in my region, to create a more food-secure future for us all.

On skills, our very high level of tertiary education is a strength, and things such as skills passports will increase the availability and skills of local workforces, which investors look at when deciding where to go. The precarity of work that is offered by the fossil fuel industry can be counterbalanced by enhancing mobility, with a strategic emphasis on the areas where skills are lacking, such as heat in buildings, renewables, transport and storage.

All of that fits with the mission-based approach that we have advocated and which has, to some extent, been adopted by the Scottish National Investment Bank. That should be a mission across government. During the debate, others have already highlighted just how important it is to have joined-up thinking not only across Government departments but across all different levels of government.

There is much that I want to say about how we must use our trading relationships to secure the highest possible standards on workers' rights, environmental standards, animal welfare standards and so on, not just for the benefit of consumers and communities in Scotland but as part of our desire for Scotland to be a good global citizen.

We must ensure that our inward investment and trading plans focus our investment and trading activities on supporting the kind of economy that we want. Wellbeing and sustainability are integral for, not accidental to, prosperity.

16:31

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): I thank the minister for the progress report that we received at 13:47, which hardly gave us time to digest it and prepare for the debate. However, I welcome today's debate. I think that everybody in the chamber agrees that creating jobs and exporting Scottish goods across the world are positive goals for any Government. We might disagree on how to go about that, but I am pleased to speak in today's debate, which focuses on the goals that we all share.

Scotland has about 11,000 export businesses, which are successful across the world. My constituency in the Borders plays host to many of businesses—from world-famous those our weavers, based in Hawick and Selkirk, which supply textiles for fashion houses in Milan and New York, to fantastic cattle farmers who supply beef and dairy for supermarkets just over the border Berwick-upon-Tweed. Engaging in regularly with such businesses is one of my duties as an MSP. It paints a clearer picture of businesses' concerns and how inflation and other such things impact on their plans for the future.

The Scottish Government's plans for a trading nation do not focus on the whole of Scotland. They are yet another example of central belt focus and of the Government leaving rural areas behind. The plans do not focus specifically on the issues and challenges that we face in places such as the Borders, so I would like the minister, in his closing speech, to address the specific points that I will make during my contribution.

We know that rural areas are depopulating and that Scotland's population is ageing. There is a higher number of retirees in the Borders, for example, which is driving economic inactivity. Skilled workers are just not being replaced. In the Borders, wages are £3,000 below the Scottish median, 9 per cent of workers earn below the living wage and the gender pay gap is four times greater than the Scottish average.

There is a sense of deep frustration in my constituency and in other rural areas that are represented by my colleagues. There is the sense that, despite the enormous contribution that the rural economy makes to our country, those areas are simply being ignored. In many cases, it seems that rural businesses are not only being ignored; the Scottish Government is unable to grasp the nettle and deal with depopulation by boosting housing stocks, which are a key driver for businesses in attracting investment and growth.

We know that the food and drink sector accounts for about £10 billion of Scotland's overall exports. The industry employs more than 100,000 people, but it is hamstrung by the inability to drive innovation under the Government's policy-the anti-scientific political rhetoric from the Government and the Greens. While farmers in England will look forward to forging ahead with the use of gene-editing technology in order to increase yields, protect crops, increase biodiversity and help with the threat of disease and drought, Scottish farmers will be left behind due to the Government's intransigent position of aligning with Europe and the hated common agricultural policy.

Jim Fairlie (Perthshire South and Kinrossshire) (SNP): Will the member take an intervention on that point?

Rachael Hamilton: In a second.

The Scottish Government has introduced a debate on export growth plans at a time when Putin's invasion of Ukraine is harming global food security, but it fails to see the absurdity of the intransigence of its position on gene editing. Research and development is key to scaling up businesses and to driving inward investment and exports. Expenditure on R and D is just £60 per head in the Borders, compared to £258 per head in the rest of Scotland. Across Scotland, every business needs all the tools that it can get its hands on to take advantage of innovation in order to drive investment.

Jim Fairlie: Rachael Hamilton has just made a point about the Scottish Government aligning with the EU. Given that the UK Government is clearly telling us that there will not be an American trade

deal, would it not be better for the UK to align with the EU as well?

Rachael Hamilton: The member is missing the point entirely. The Scottish Government is missing its own biodiversity and environmental targets. Gene editing is one way of not only driving innovation and investment but helping farmers address the challenges that they face head on, and meeting the environmental targets that have to be met right now.

My colleagues have discussed the impact of uncertainty on Scottish businesses. As we have heard, the latest available data shows that the value of Scotland's exports to the rest of the UK is \pounds 42 billion. One of the most common concerns that I hear from businesses in my constituency is the fear of constitutional grievance, on top of all their other concerns, such as rising energy costs. The businesses close to the border, for whose future cross-border trade is fundamental, must have the confidence that they can invest and grow without that constitutional upheaval.

Although I welcome the good news in today's report, we need to look at the bigger picture, as my colleague Liz Smith highlighted. The Scottish Borders is falling behind in productivity, which reduces opportunities for shared prosperity. GVA per job in the south of Scotland was 70 per cent of the national figure in 2019. The Borderlands inclusive growth deal—a shared investment between the Scottish Government and the UK Government—has put shared prosperity at its heart. When both Governments work together, it creates jobs and allows opportunities for local people to have a better quality of life and wellbeing.

Daniel Johnson talked about skills—in the Borders, people are less likely to attain higher levels of skills. The number of people in the Borders who hold a degree-level qualification is 7 per cent lower than the Scottish average. I emphasise that, to drive investment, we want to see skilled people living and working in rural areas and reducing that widening employer and workforce skills gap.

To conclude, the Government must place rural regions at the heart of its economic plans—we need to consider the catalogue of broken promises on skills and the shortages in attracting inward investment and addressing productivity issues in rural areas—and it also has to drop its reckless ambition to break up the United Kingdom.

The Deputy Presiding Officer (Annabelle Ewing): Michelle Thomson will be the last speaker in the open debate before we move to winding-up speeches.

16:38

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Michelle Thomson (Falkirk East) (SNP): The William of Aberdeen vessel sailed across the Atlantic in 1596, the first recorded Atlantic trade journey from Scotland to what is now known as Newfoundland. Long before that, Scotland already had trading links with our much closer neighbours in Europe. Our trading history has fundamentally shaped who we are. In the 18th century, Adam Smith would walk along the bank of the river Forth and gaze at the great trading ships of the day taking goods and people to other lands, which inspired him to consider the benefits of international trade.

Some Tories today have not appeared to notice the shock of a Tory Brexit and the decimation of exports to mainland Europe. HM Revenue and Customs data confirms that the number of businesses exporting goods to the EU fell by 33 per cent in 2021 compared with 2020. To make matters worse, Liz Truss has confirmed that it will take years to negotiate a trade deal with the USA, and our paltry trade deal with Australia directly harms our farmers. Therefore, perhaps the UK Government's trailing of the removal of the cap on bankers' bonuses tells its own story about where its priorities lie.

I thank the minister for his good work thus far. I note that Scotland is the only part of the UK with a positive balance in trade in goods with the rest of the world. I look forward to reading the progress reports that were released today, although I add my voice to the comments on the lateness of their arrival, which I regret.

I will focus on international trade in the present day, including among the Scottish diaspora. The experience of some of the members of the early diaspora that Smith watched leave their homeland and find new opportunities, particularly in the Americas, resonates with me. A few years ago, I undertook research into Scotland's business diaspora. We collected views from more than 1,000 business leaders in 74 countries. That presented a clear picture of Scotland and of what could be done to support international trade. Among many findings was the fact that Scotland was seen as friendly, resilient and entrepreneurial. However, there was also a significant minority view that pointed to a cautious. risk-averse and inward-looking community. Scottish business people were largely viewed positively too, with key characteristics such as being ethical, hard working and well educated, although some critics thought that we were too inward looking.

To put it simply, with regard to the Scottish brand, comments about the guality of our people were prominent. I was pleased to see the mention. active consideration and modern development of our brand, which was called for years ago by Murray Pittock. In that regard, our universities and colleges have had a pivotal role in developing our people and in enabling an outward-focused, entrepreneurial export sector. Therefore, I ask the minister what recent discussions he has had to ensure that the university and college sectors continue to contribute to our export and entrepreneurially focused cultures, which, of course, is about more than the passing on of skills.

I will return to the research that I mentioned. There was also a strong perception that the Scottish diaspora is insufficiently mobilised, although many stated a willingness to help if asked. I therefore recognise the mobilisation of the diaspora, which is highlighted in the progress report, and the increase in the number of global Scots, alongside the digital system that has been put in place. However, the development of capacity in all its forms takes time. In his summing up, will the minister give further flavour to his capacity-building plans and say whether that work will be done directly through the Scottish Government or via its partner agencies?

I regret that Scotland has lost some of its capacity for direct exporting. Too many of our goods are having to pass through England before moving on to export markets. I know that that cannot be sorted overnight, but perhaps future iterations of "Scotland: a trading nation" or some other document will consider the wider infrastructure rather than just supply chain requirements, in order to build and embed resilience and enable international trade. However, I recognise the constraints on capital expenditure, particularly just now.

I have had meetings with Marco Forgione, the director general of the Institute of Export & International Trade. His thoughts on what could be done include developing a full mentoring service, including technical support from trade specialists; tapping into our business diaspora; and creating specialist advice lines, so that businesses can access timely advice and support when they need it

I am delighted to see that a great deal of that is already included in the progress report, so that saves me needing to suggest those ideas to the minister. However, it might be worth the minister meeting Marco Forgione, too, if he has not already done so. I commend Ivan McKee's outstanding work-he has made tremendous efforts to get a focus on international trade and has championed the "Scotland: a trading nation" report-all the activity that goes with the report, and the subsequent progress report. I am delighted to see that, under the minister's direction, Scotland continues to be an outward-looking trading nation.

16:43

Paul Sweeney (Glasgow) (Lab): It has been an interesting debate, despite the difficulty of fully digesting substantial documents in such a short time, which was unfortunate. However, from across the chamber, we have been able to glean information about some useful characteristics of the report. From what members have said today, there seems to be a shared sentiment that we want Scotland to fulfil its full economic potential, we want our people to be prosperous, and we want to build prosperity in our country. However, there was a bit of a disconnect between the rather bombastic claims made by the minister in his opening remarks and the preceding statement by the Deputy First Minister during portfolio questions, when we were faced with the idea of severe economic headwinds that threaten the prosperity of our country.

There are difficulties and structural problems in the Scottish economy that we cannot help but take into consideration. I do not feel that the report is going to help us to fundamentally shift that in any way. There were some interesting points made, but the fundamental issue is that the report is too passive, given the nature of the challenges that we face.

Ivan McKee: What is not in the report that the member would like to see in there, with regard to driving export growth and inward investment growth? Does he not accept that the significant results that we have achieved over the past two years are a testament to the fact that the action plan is absolutely right on the money when it comes to doing what needs to be done to further drive Scotland's success in these areas?

Paul Sweeney: If we were right on the money, we would not be facing these significant revenue challenges, nor would we be undershooting our export growth targets, which are massively ambitious and against which we are not on the trajectory that we need to be on. A good example is action 4 in the inward investment plan. It talks about identifying and proactively targeting

"50 leading global companies we want to attract to Scotland".

Why does it not talk about building 50 worldleading companies in Scotland? It does not mention that idea. It does not look at building wealth and capacity.

Ivan McKee: Will the member take an intervention?

Paul Sweeney: I am afraid that time is against me. I will endeavour to bring the minister in at a suitable juncture, but I want to develop some of my arguments first. We have big advantages in Scotland. For example, economic development spending is higher in Scotland than it is anywhere else in the UK. Indeed, it is 60 per cent higher than the UK average. However, unfortunately, that higher spending is not feeding into better productivity or growth, because there is too much of a quick turnover and churn, and a lack of focus in investment strategies.

As an alumnus of Scottish Enterprise, I can attest to that. It is not an organisation that is fully geared up to building the kind of capability that we need in Scotland, because it is too passive. I have seen that at first hand.

Let us look at some of the issues that we have dealt with in the debate. The minister will be well aware, for example, of the recent closure of the Caley rail works in Springburn, just next to his constituency. Let us look at that as a case study. When it was bought over by Mutares, a German firm, that would have been counted as inward investment and lauded, according to the minister, because all inward investment is great. However, what was the inward investment about? It was debt loading Scottish-owned assets; it was flogging off real estate to a US investment trust that was based in New York; and then it was asset stripping those industries from Scotland to service the debt, and focusing on the intellectual property, which was held not in Scotland but by the English subsidiary. The Scottish subsidiary was thrown away. We have had 163 years of railway engineering destroyed because of inward investment that was predatory, not developmental, in nature. That is why we cannot simply look at FDI as a panacea, which is what my friend Richard Leonard alluded to when he spoke about the extent to which the Scottish economy is becoming increasingly characterised as a branch plant.

We see stories such as that of McVitie's, a Scottish company, the ownership of which has been stripped from the country—it now has Turkish ownership. The last factory with the McVitie's brand has closed down in Glasgow; we have lost that brand, which is so synonymous with Scotland and is one of the best-known Scottish brands globally. Would America allow Coca-Cola to go the same way? I do not think so.

We have to fundamentally focus on how we maintain and build Scottish wealth in this country. That will require things such as looking at where we are world leaders and where we have the potential to be world leaders, and building the companies in Scotland—building them with the Scottish National Investment Bank, taking those stakes and building that equity to ensure that predatory overseas takeovers are prevented. That should be the fundamental ethos at the heart of a plan such as the Government's, but unfortunately, when it comes to that kind of thing, the plan is thoroughly silent.

Members on the Government benches mentioned that, including Fiona Hyslop, the member for Linlithgow, who spoke about her concern that Scotland is too vulnerable to overseas takeovers. I am sure that we all have stories about where we have seen great Scottish potential thwarted by overseas takeovers. Would it not be great to see Scottish businesses going out into the world, buying over other companies and building that global network, with the control, capability and headquarters located in our cities, rather than in board rooms in other countries?

Rather than Scottish Enterprise and Scottish Development International going around begging board rooms in other countries to invest in Scotland, we could take the bull by the horns ourselves and do the hard work that is needed. I do not think that the agencies are doing that well enough. There needs to be a fundamental challenge to them to up their game and stop the neoliberal passiveness.

For example, I made a suggestion about emulating the Mondragon concept in Spain. Let us build the railway engineering in Springburn; let us allow employees to take ownership of the assets there; let us build, along with the new publicly owned railway company, a centre of excellence for railways in Scotland. When I suggested that, I was looked at as if I had two heads. It just did not compute with the agencies' thinking, economically and fundamentally.

We see the same thing when it comes to issues such as Willie Rennie mentioned. Liberty Steel could have been at the heart of a renewables renaissance—we could have had green steel and rolling plates and electric arc furnaces. However, what are we doing now? We are dealing with another distressed company that is on the brink of collapse. The same goes for Ferguson's, which needs long-term investment and procurement plans; Caledonian Maritime Assets Ltd—CMAL is not interested and we are sending orders to Turkey.

All those things are fundamentally at odds with one another, and unless we get everything shaken out and done right—which is what we all desperately want—we will not achieve the gains that are needed to help us to fund our public services, and the Deputy First Minister will continue to come to the Parliament to make cut after cut to public services.

16:50

Jamie Halcro Johnston (Highlands and Islands) (Con): It is welcome that the Scottish

Government brought this debate today, at a time of unprecedented strain on our businesses. Many businesses across the country are struggling and face additional costs, although the help that the UK Government has announced today and over the past few weeks will be welcome. Above all, businesses are still emerging and recovering from the two years of the pandemic.

This is an unprecedented time in our history, which calls for a serious approach from Governments everywhere, so I was disappointed with Scotland's national strategy for economic transformation, which was published earlier this year and was generally considered thin gruel for business.

When she introduced the strategy, Kate Forbes promised

"a ruthless focus on delivery".

She also said that the Government would be

"judged on the outcomes we deliver, not the strategy we write".

However, those fine words will be realised only by ministers meeting those commitments. It is therefore disappointing that the delivery plans for the five programmes for action were not published by 1 September, as promised.

We face challenges as never before. The economy will be central to how we weather the years ahead, how we maintain jobs and how we ensure the living standards of our constituents.

The UK has long been a global and European leader in attracting inward investment, and Scotland punches above its weight in that regard. That is testament not only to Scotland's attractiveness as a destination but to the quality of work to promote Scotland that is done on our behalf. Since its origins as Locate in Scotland, SDI has had a commendable record of bringing investment, but of course it is far from being the only organisation that looks toward trade and investment for Scotland. The new, on-the-ground presence of the Department for International Trade at Queen Elizabeth house, just down the road, is extremely welcome and will, I hope, drive further positive working relationships between the department and SDI.

We recall the conclusions of the Economy, Energy and Tourism Committee's inquiry into internationalising Scottish business in 2015. The committee observed, in relation to SDI and UK Trade and Investment, one of DIT's predecessors, that

"co-ordination between SDI and UKTI was not as strong as it could be".

At the time, the Deputy First Minister was optimistic about the role of collaborative working

and the importance of getting the right services in place to enable businesses to trade internationally and locate in Scotland. I am more than happy to echo those sentiments today. As my colleague Liz Smith said, the Scottish and UK Governments should be working together in such areas, despite their political differences. There should be a shared ambition for Scotland, one of positive and sustainable economic growth-I appreciate that that is not necessarily what the SNP's new Green colleagues in the Government support, but I hope that more sensible heads will prevail. It is therefore regrettable that the economy portfolio and the enterprise bodies that work to support business have often been the first casualties of this Scottish Government's cuts.

We recently saw a positive example of the sort of intergovernmental co-operation about which I have spoken. It was good to see the First Minister visiting the British embassy in Copenhagen, which has hosted the SDI's Danish operation—it is good to see both Scotland's Governments sharing resources and knowledge for our benefit. Across the world, many such offices are co-located within British embassies and high commissions. I am sure that they benefit from more than just the pooling of rent and electricity bills.

We hope to see further work on green free ports, which have the opportunity to drive trade and investment, particularly in my region, the Highlands and Islands. The creation of free ports has lagged behind the approach in England, which is regrettable. The proposal has captured the imagination of business in our region.

An area that has been little discussed but which Paul Sweeney raised is the nature of inward investment. Not every pound of investment is equal. We should ask whether jobs are emerging in Scotland as a result of investment. We should ask what the wider impact of investments is on the local, regional and Scottish economies. That is an appropriate consideration: inward investment should be beneficial, not only to local employment but to local supply chains. However, that sort of deeper analysis is largely lacking from the Scottish Government's figures.

That is also an issue when it comes to the international offices. We know that they are operating, but what analysis is made of their success? What are they getting right, and what value are they adding?

There is broad recognition that Scotland and the UK more generally have suffered from relatively poor productivity. In that context, innovation can be vital. It is a key driver of sustainable growth and it is vital in streamlining operations across the public sector.

Although significant work has been undertaken, particularly with the support of universities, to boost innovation in Scotland, there remains a lack of leadership in embedding innovation across the public and private sectors. Phase 1 of the enterprise and skills review published in 2016 observed a need to

"review, streamline and simplify the innovation support ecosystem, connecting programmes, funding and delivery mechanisms."

However, since that time, support and encouragement for innovation has arguably become even more cluttered, sitting across multiple agencies, including Scottish Enterprise, Highlands and Islands Enterprise, South of Scotland Enterprise, the Scottish Funding Council, the Scottish National Investment Bank and the Scotland Can Do programme.

There is work being done in the area. In June 2022, the Scottish Government's call for evidence for a new 10-year innovation strategy closed. In July of last year, the UK Government released a new innovation strategy, noting that

"while this Strategy applies to the whole of the UK, it also sits alongside important work being taken forward by the devolved administrations",

recognising a need for collaboration, but also for specific action from the devolved bodies.

The Scottish Conservatives have consistently supported a more active role in encouraging innovation. Our policy paper "Power up Scotland", which was published in September 2020, advanced the argument for greater innovation spending and increased direct support for innovation. However, we must also ensure that spending is directed in a positive and structured way, that value for money can be assured and that support should be accessible but remain results driven.

We need to see a more streamlined approach to innovation that provides a key point for encouraging innovation in the public sector, and more accountability in spend. It is vital that we get support for business right and that we ensure that public money that is used to encourage business growth and location in Scotland achieves the best value possible for every pound that is spent.

We have seen several examples of where the approach has fallen short. In my own region, as Willie Rennie highlighted, the investment in the Lochaber smelter has failed to live up to its promise in terms of the money invested or jobs created. In such cases, there has been very little accountability, with the Scottish Government's role and much of its work hiding behind the cloak of commercial sensitivity. Yet still the minister claims that he has no concerns about that deal. I hope that in his summing up he will address the issues that Willie Rennie raised.

We must ensure that Scotland remains an attractive place in which to work and invest, that we have a streamlined and transparent approach to support and, above all, that we use all the resources that are available to us, including the ability to work effectively with partners in the UK Government and its agencies.

16:57

Ivan McKee: Before I start on the substance of my closing remarks—there is a lot to cover, so I will get through them as quickly as I can—it is important to draw a line under some of the comments that were made about the lack of a motion and the timing of publication.

In particular, I am disappointed, frankly, with one member who accused me of being "shameful" because of my behaviour this afternoon. Comments were made about our hiding behind the Queen's death as a reason for there being no motion for debate. That policy was agreed by all members of the Parliamentary Bureau, including the Labour member, Neil Bibby, so the member that my comment applies to may want to apologise during the debate, and I would happily take his intervention if he feels so inclined. [*Interruption.*] Okay—I thank him for making his position on that clear.

I turn to the substance of the debate. It has been an interesting debate. Some members have been very positive about Scotland's success in what we have delivered on export growth and inward investment. Unfortunately, some members could not bring themselves to accept that Scotland could be successful at anything, which says more about their attitude to Scotland and Scotland's economy and how much they care about Scotland than it says about anything else.

Liz Smith opened the debate for the Conservatives extremely well; to be honest, Jamie Halcro Johnston closed it well, too, recognising and welcoming the significant progress that we have made, as well as highlighting some areas that we can do better on. Those points are hugely welcome, and I will touch on some of them.

Liz Smith mentioned supply chain disruption without mentioning Brexit, which was an interesting omission, given that that is the main driver.

Liz Smith: Will the minister give way?

Ivan McKee: I do not have a lot of time, but I will try to get the member in later. I have only a few minutes left.

Likewise, we have a declining population and Brexit is a primary cause of that situation. An interesting data point that Liz Smith should reflect on is that every year more working-age people from the rest of the UK are attracted to Scotland than leave Scotland to live and work in the rest of the UK. In fact, net inward migration to Scotland from the rest of the UK has been around 35,000 over past five years, which is testament to the fact that people from the rest of the UK want to live and work in Scotland because of what Scotland has to offer in so many regards.

Liz Smith mentioned UK co-operation in her comments. Believe me, we try to co-operate as much as we can with the UK Government, but the reason why there is no announcement on green free ports yet is not because of us—we have been ready for weeks—but because of the inaction, incoherence and lack of focus from the UK Government down south over quite a period of time over the summer. Likewise, on the cost of living crisis, the Deputy First Minister has made very clear what we asked the UK Government to do. It has been very late to the table on that, waiting for the change of Government for many, many weeks. That has been disappointing.

Daniel Johnson struggled to find something sensible to say; he was all over the place, which was disappointing because he is usually much more focused and coherent in his interventions. He did not recognise the fact that the document is absolutely jam-packed full of analysis that focuses on what we should deliver on, so he did not recognise what has been delivered as a consequence of the strategy.

In response to Daniel Johnson's comments about shipyards, I note that the commercial shipyard is still on the Clyde because of the actions that have been taken by this Government. He talked about silicon glen, and I can tell him that I worked in silicon glen and was made redundant from a business in silicon glen. That happened under a UK Labour Government and a Scottish Labour Government, so he cannot talk to me about the Government not being focused on supporting industry and preventing redundancies.

Daniel Johnson also talked about the Saudi Arabia of wind. We are absolutely focused on delivering the renewable potential of Scotland, with 40 gigawatts of offshore and onshore wind. Only this afternoon, I was on a virtual call with businesses, investors and Governments in Germany to impress upon them the importance of Scotland's hydrogen offering and what we can do to support their requirements in that regard. Next week, I will be in Hamburg saying exactly the same.

I do not have much to say about Willie Rennie, the member for shutting smelters. Frankly, we have been round and round the houses on that. The jobs have been saved and the plant is still there, and if it was up to Willie Rennie it would be shut by now. The Scottish Government receives all the money that is due to it, and we have a liability that is more than covered by the asset, which we can call on in the event of anything happening to the business. Further, since Harland & Wolff took over BiFab, it now employs 400 people.

Fiona Hyslop very clearly laid out that Scotland has what it takes through the businesses and sectors in which Scotland enjoys great strengths. She also highlighted the impact of Brexit and the damage that it has done to Scotland's economy.

Willie Rennie: Will the member take an intervention?

Ivan McKee: No. I only have four minutes and still have half of the members to get through.

Douglas Lumsden is another member who cannot bring himself to recognise the fact that Scotland has been successful. He also did not take any interventions, whereas I took several in my opening speech. Brexit is driving many of the problems that he mentioned.

Liz Smith: Will the member take an intervention?

Ivan McKee: I will in one minute.

Scotland has closed the productivity gap with the rest of the UK, and over the past 15 years there has been significant improvement. We have consistently had the lowest unemployment rate in comparison with the rest of the UK. Why are investors coming to Scotland in such numbers if they are so concerned about independence? They see it as an opportunity, and that is one of the reasons why Scotland is leading the UK, outside of London, on attracting inward investment.

Liz Smith: Can we address the point about Brexit, which the minister has mentioned time and time again? Members know my views on Brexit, but it has happened and we have to deal with it. Can the minister explain where the logic is in the SNP's position? SNP members are always moaning about the wonderful problems that we have because of Brexit, but they want to do exactly the same thing by splitting up the UK, which would cause just as much trouble as Brexit—and more. The SNP's own advisers agree with that.

Ivan McKee: I am glad that Liz Smith recognises the damage that Brexit has done to the Scottish and UK economies. She asked what we can do about Brexit. I will tell her, the rest of the Tories and the better together coalition what we can do about Brexit. Scotland can become a normal independent country that enjoys normal

international relationships, escape from the damage that the UK Government is doing to Scotland's economy and take our place as a normal independent European country.

Kenny Gibson, as always, put focus on the success of businesses, in both inward investment terms and export terms, in North Ayrshire, many of which I had the pleasure of visiting recently. He made the very important point that Scottish Government will be at Hannover Messe next year representing the Scottish economy, but the UK Government has declined to attend.

I do not know where to start with Richard Leonard. I will start on a positive note because we are all agreed that we want inward investment that has value to Scotland's economy. That is why values are a central focus of and core to our approach. We all agree that we want inward investment that builds our globally leading clusters and supports local businesses as a consequence.

If an inward investor parks themselves next door to a local business in a sector, that local business has access to global technology, global talent and export markets as a consequence. It builds and strengthens the cluster. Therefore, the right inward investment, which is absolutely what we are focused on—the plan is very clear on that supports local businesses to grow and prosper.

The point has been made by other Labour members that there are many Scottish businesses, such as the Wood Group and Weir, that have grown from Scotland, gone international and acquired companies as a consequence. It is a two-way street. Countries that trade and invest internationally are more successful, and we are focused on ensuring that the inward investment that comes here is here for the right reasons.

I do not have time to go through all the other contributions. The rural point that Rachael Hamilton made is important, as are the regional aspects of the matter. There is a huge focus on that. I work closely with South of Scotland Enterprise, which is doing a great job in supporting rural investment. On my recent tours down to the south of Scotland, I saw some great businesses. Rachael Hamilton should rest assured that we are greatly focused on that.

The debate and the report have shown that Scotland has great strengths across a range of globally leading sectors, now and for the future. We are clearly focused on those sectors and on delivering Scotland's potential. Our innovation strategy, which has been mentioned and will be published in the next few weeks, will take that analysis and focus to the next level.

Scotland has what it takes but the only way that we can realise the full potential of Scotland's

economy is for Scotland to become a normal independent country.

Business Motion

17:07

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is consideration of business motion S6M-05998, in the name of George Adam, on behalf of the Parliamentary Bureau, setting out a business programme.

Motion moved,

followed by

That the Parliament agrees—

(a) the following programme of business-

Tuesday 27 September 2022 2.00 pm Time for Reflection followed by Parliamentary Bureau Motions followed by Topical Questions (if selected) followed by Scottish Government Debate: Scotland's Population - Meeting the Needs of our Communities, Economy and Public Services followed by **Committee Announcements Business Motions** Parliamentary Bureau Motions

followed by followed by 5.00 pm **Decision Time** followed by Members' Business Wednesday 28 September 2022 2.00 pm Parliamentary Bureau Motions 2.00 pm Portfolio Questions: Covid Recovery and Parliamentary Business; Finance and Economy followed by Scottish Conservative and Unionist Party Business followed by **Business Motions** followed by Parliamentary Bureau Motions followed by Approval of SSIs (if required) 5.10 pm **Decision Time** Members' Business followed by Thursday 29 September 2022 11.40 am Parliamentary Bureau Motions 11.40 am **General Questions** 12.00 pm First Minister's Questions followed by Members' Business 2.30 pm Parliamentary Bureau Motions Portfolio Questions: 2.30 pm Net Zero, Energy and Transport followed by Scottish Government Debate: Excellence in Scottish Education

Business Motions

followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
Tuesday 4 October 2022	
2.00 pm	Time for Reflection
followed by	Parliamentary Bureau Motions
followed by	Topical Questions (if selected)
followed by	Scottish Government Business
followed by	Committee Announcements
followed by	Business Motions
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time
followed by	Members' Business
Wednesday 5 October 2022	
2.00 pm	Parliamentary Bureau Motions
2.00 pm	Portfolio Questions: Rural Affairs and Islands; Health and Social Care
followed by	Scottish Government Business
followed by	Business Motions
followed by	Parliamentary Bureau Motions
followed by	Approval of SSIs (if required)
5.00 pm	Decision Time
followed by	Members' Business
Thursday 6 October 2022	
11.40 am	Parliamentary Bureau Motions
11.40 am	General Questions
12.00 pm	First Minister's Questions
followed by	Members' Business
2.30 pm	Parliamentary Bureau Motions
2.30 pm	Portfolio Questions: Social Justice, Housing and Local Government
followed by	Scottish Government Business
followed by	Parliamentary Bureau Motions
5.00 pm	Decision Time

(b) that, for the purposes of Portfolio Questions in the week beginning 26 September 2022, in rule 13.7.3, after the word "except" the words "to the extent to which the Presiding Officer considers that the questions are on the same or similar subject matter or" are inserted.—[George Adam]

Motion agreed to.

Parliamentary Bureau Motions

17:07

The Deputy Presiding Officer (Annabelle Ewing): The next item of business is consideration of six Parliamentary Bureau motions. I ask George Adam, on behalf of the Parliamentary Bureau, to move motions S6M-05999 and S6M-06000, on approval of Scottish statutory instruments, S6M-06001, on substitution on committees, and S6M-06002 to S6M-06004, on the designation of lead committees.

Motions moved,

That the Parliament agrees that the Age of Criminal Responsibility (Reports on Use of Places of Safety) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Scottish Tribunals (Listed Tribunals) Regulations 2022 [draft] be approved.

That the Parliament agrees that James Dornan be appointed to replace Marie McNair as the Scottish National Party substitute on the Health, Social Care and Sport Committee.

That the Parliament agrees that the Economy and Fair Work Committee be designated as the lead committee in consideration of the legislative consent memorandum in relation to the UK Infrastructure Bank Bill (UK Legislation).

That the Parliament agrees that the Net Zero, Energy and Transport Committee be designated as the lead committee in consideration of the legislative consent memorandum in relation to the Levelling-up and Regeneration Bill (UK Legislation).

That the Parliament agrees that the Economy and Fair Work Committee be designated as the lead committee in consideration of the legislative consent memorandum in relation to the Trade (Australia and New Zealand) Bill (UK Legislation).—[George Adam.]

The Deputy Presiding Officer: The question on the motions will be put at decision time.

Decision Time

17:08

The Deputy Presiding Officer (Annabelle Ewing): There is one question to be put as a result of today's business. I propose to ask a single question on the six Parliamentary Bureau motions unless any member objects.

As no member has objected, the question is, that motions S6M-05999 and S6M-06000, on approval of Scottish statutory instruments, S6M-06001, on substitution on committees, and S6M-06002 to S6M-06004, on the designation of lead committees, be agreed to.

Motions agreed to,

That the Parliament agrees that the Age of Criminal Responsibility (Reports on Use of Places of Safety) (Scotland) Regulations 2022 [draft] be approved.

That the Parliament agrees that the Scottish Tribunals (Listed Tribunals) Regulations 2022 [draft] be approved.

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That the Parliament agrees that the Economy and Fair Work Committee be designated as the lead committee in consideration of the legislative consent memorandum in relation to the UK Infrastructure Bank Bill (UK Legislation).

That the Parliament agrees that the Net Zero, Energy and Transport Committee be designated as the lead committee in consideration of the legislative consent memorandum in relation to the Levelling-up and Regeneration Bill (UK Legislation).

That the Parliament agrees that the Economy and Fair Work Committee be designated as the lead committee in consideration of the legislative consent memorandum in relation to the Trade (Australia and New Zealand) Bill (UK Legislation).

The Deputy Presiding Officer: That concludes decision time. We will move on to the next item of business after a brief pause. I ask members who are leaving the chamber to do so quickly and quietly.

Out-of-hours General Practitioner Services

The Deputy Presiding Officer (Liam McArthur): The final item of business is a members' business debate on motion S6M-03899, in the name of Alexander Stewart, on national health service out-of-hours general practitioner services. The debate will be concluded without any question being put.

Motion debated,

That the Parliament acknowledges what it sees as the importance of NHS out-of-hours GP services; understands that, according to Healthcare Improvement Scotland, primary care out-of-hours services are a fundamental part of the healthcare service in Scotland; notes that the service provides support to those who require medical assistance outwith normal GP surgery hours; understands that this involves a number of healthcare professionals, agencies and support staff, such as drivers, working together to provide a high-quality and integrated service for patients, with many individuals going above and beyond their normal remit to ensure maximum quality of service; notes the view that Healthcare Improvement Scotland and many GPs have collectively acknowledged that the quality and safety of outof-hours care, such as that available in Clackmannanshire, across the Mid Scotland and Fife region, and all over Scotland, is extremely important and that patients should have access to consistent, high-quality standards of care, and further notes the calls for all regions of NHS Scotland to do all that they can to maintain, sustain and retain their out-of-hours GP services.

17:11

Alexander Stewart (Mid Scotland and Fife) (Con): I am very grateful for the opportunity to open my members' business debate. The importance of NHS out-of-hours GP services should not be underestimated. Indeed, according to Healthcare Improvement Scotland, primary care out-of-hours services are a fundamental part of our healthcare. The services provide support to those who require medical assistance outwith normal GP surgery hours and involve a number of healthcare professionals, agencies and support staff. They work together to provide a high quality of integrated service for patients, with many individuals going above and beyond their normal remit.

I said in my original motion for the debate that Healthcare Improvement Scotland and many GPs have collectively acknowledged that the quality and safety of out-of-hours care is extremely important. However about four years ago things appeared to slowly but surely be making an aboutturn.

In April 2018, I lodged a motion with deep concern after the decision by the Fife health and social care partnership to close the Glenrothes hospital out-of-hours service. In May of that year, I sought assurances from the former health secretary that there would not be any further service reductions. The health secretary responded, indicating that recent changes were a short-term measure to ensure that appropriate levels of patient safety were maintained. I also took part in Jenny Gilruth's members' business debate on the very subject of Glenrothes, as well as participating in Willie Rennie's members' business debate about the St Andrews out-ofhours service.

The primary care emergency services at the hospitals in Glenrothes, Dunfermline and St Andrews all remained closed after they were forced to be suspended due to staff shortages in 2018. Meanwhile, NHS Forth Valley had been escalated to stage 3 on the NHS board performance escalation framework. All those concerns have sadly proved not to have been in vain as we are now facing grave issues in many of our out-of-hours services the length and breath of Scotland.

Assurances were sought from the constituency member for Clackmannanshire and Dunblane and the Clackmannanshire Council leader. In a press statement in December 2021, they indicated that they had received assurances from the health board that it was committed to providing services in Clackmannanshire. I have been contacted by a number of highly concerned, even frightened, individuals about what is taking place in Forth Valley's out-of-hours service. I am shocked and dismayed to have received reports now that that is being dismantled slowly but surely.

Prior to NHS Forth Valley control, the Clacks emergency doctors service was working Monday to Friday and at weekends, with two doctors and three doctors overlapping, plus another doctor on standby and a receptionist, a car and a driver. The Falkirk doctors service was also working Monday to Friday and at weekends, with receptionists, drivers and two cars. The Stirling doctors service operated from Monday to Friday and at weekends, with rural Stirlingshire being covered by its own GPs.

When NHS Forth Valley took over the services, it had five GPs, supplemented with local GPs covering at high level with four GPs and four drivers. All centres were fully staffed seven days a week, apart from Clackmannanshire, which lost an overnight GP as soon as NHS Forth Valley took over and where the service started to be diminished. Months later, Clackmannanshire was reduced to one GP in the evenings, with many patients having to travel to other centres when the Clackmannanshire-based GP was on visits.

A reply to a freedom of information request that was sent to me recently showed staffing levels fluctuating over the following years, with the Clacks centre being systematically run down from 2017. That began with the centre being closed on public holiday weekends due to shortages. The running down of the centre continued with the shortening of opening hours at weekends, followed by regular weekend closures, and now it is open only three evenings a fortnight.

Despite the claim in the FOI response that the health board would like to continue with the three centres, I am repeatedly informed that there has been a removal of drug bags, drivers, cars and receptionists from Clackmannanshire and Stirling over the past few months. NHS Forth Valley had five vehicles a few years ago, then it had four vehicles and then it was reduced to two vehicles at Larbert, with only one car operating on occasion. Moreover, on the days that Stirling and Alloa have a clinician, no driver or drug bags are available at those centres. Staffing levels are at a fraction of the initial levels that were indicated.

Calls to Forth Valley via the NHS 24 line are triaged into the following categories: a doctor to be phoned; patients to attend a centre within one hour, two hours or four hours; and patients to receive home visits within one hour, two hours or four hours. During Covid all those calls were triaged by NHS 24 and retriaged to NHS Forth Valley. That is still the case today, despite the pandemic being all but over. Now Forth Valley has adopted a policy of "comfort-calling" by non-clinical staff to apologise for the delays and to ask the patients whether they still want to remain on the list.

As we have seen historically, when Forth Valley goes into escalation that means that the standard diminishes. Indeed, on occasion, we have gone into the black level, which is the top priority, and there has been no service at all.

In conclusion, staffing levels and GPs' cooperation are vitally important. Forth Valley assured their patients that they would have a good service, and they did have a good service at one point. Now we find only one clinician on duty for a population of around 300,000 patients. That is causing real concern and is compromising patient care. Clinicians, drivers and receptionists have all been cut despite there not being any drop in the demand. Indeed, Forth Valley call demand is such that, in reality, a quarter of calls cannot be answered because of the lack staff.

This is a wholly unacceptable situation and one that needs to be addressed by the cabinet secretary as a matter of urgency. I look forward to hearing his response in summing up

GP out-of-hours services are vitally important. Therefore, the Scottish Government and local health boards need to strive to ensure that they are maintained, retained and sustained. At the moment, they are failing patients and putting lives at risk.

17:18

Emma Harper (South Scotland) (SNP): I welcome the opportunity to speak in the debate and thank my colleague Alexander Stewart for securing it. I supported the motion as it was quite positive, which is different from what we have just heard in the contribution. I want to start by paying tribute to all of Scotland's GPs as well as their staff, the advanced nurse practitioners, NHS 24 call handlers and drivers. As Mr Stewart's motion mentions, their work is crucial.

The primary care out-of-hours services are a fundamental part of our healthcare in Scotland and the service provides support to those who require medical assistance outwith normal GP surgery hours. Out-of-hours involves a number of agencies and healthcare professionals working together to provide an integrated service for patients. The quality and safety of out-of-hours care is extremely important and I agree that patients should have access to consistent, high-quality standards of care across the country.

The picture with out-of-hours care in Scotland is a comparatively good one compared to other United Kingdom nations. Each year across Scotland, about 870,000 patients use out-of-hours primary care services, resulting in just under a million consultations. Home visits account for one in five, which is about 187,000 contacts with outof-hours primary care services, with over half of the contacts-57 per cent-taking place in a primary care emergency centre. Children under five, women in their 20s and people aged 75 and over are the most common age groups of patients contacting out-of-hours primary care services. Treatment was completed by out-of-hours primary care services for just over half the patients who were in contact with them Only 3 per cent of contacts with the services resulted in a referral to accident and emergency or a minor injury unit, showing how out-of-hours services are helping to reduce acute hospital admissions.

Those statistics are welcome and they show the importance of out-of-hours services as a way to reduce hospital admissions. They are also an important way of providing reassurance to the public that care will be provided outwith GP hours.

Andrew Buist, the chair of the British Medical Association's Scottish general practitioners committee, recently wrote a blog reflecting on NHS out-of-hours care in Scotland now compared with the model in 2004. In the blog, Dr Buist remarked how out-of-hours services, which previously were solely doctor based and involved doctors in long on-call hours, often driving themselves, have now been transformed into a more slick operation in which the primary care sector works together. Dr Buist said in his blog:

"When I think back to what out-of-hours was like before 2004 then what a luxury it feels like now to have a driver."

He just sits back, having read the patient's notes. He lets someone else worry about finding the right house, safe in the knowledge that, when he is on the call, there is someone outside waiting on him. Dr Buist continued:

"You work at your own pace alongside other GPs and nurse practitioners all picking from a pool of patients who have been triaged by NHS 24 and given an appointment time slot. The cases were all appropriate, a mixture of children, coughs, urinary symptoms, with the occasional rash, chest pain or alcohol withdrawal. Compared to daytime general practice, it was so much more straightforward. There was no shopping lists ... no paperwork."

Dr Buist said also:

"Out of hours is part of general practice. We as GPs need to support it and not give it over to hospital care."

Those words speak for themselves and, although there is, of course, room for improvement in the out-of-hours service, as there is in other parts of our healthcare system, I want to recognise the hard work of all the staff involved to make it what it is today.

That is in contrast to the latest ask of the new UK Government health secretary, Thérèse Coffey, by the Doctors Association UK. DAUK is asking for urgent action to address GP retention, as it is predicting that 16 million people in the UK could lose access to a GP within a decade.

In closing, again I welcome the debate and the opportunity to speak highly about Scotland's outof-hours sector.

17:23

Tess White (North East Scotland) (Con): I thank Alexander Stewart for securing this members' business debate on out-of-hours GP services. It helps to bring into focus how pivotal those services are in delivering primary care when GP surgeries are closed during evenings, weekends, festive periods and public holidays. That can be as much as 70 per cent of the week, which is a reminder that general practice services are available not just between 8 am and 6.30 pm, but 24/7.

It is important to emphasise at the outset that out-of-hours GP services deal with nearly 1 million patient consultations each year. Those patients include people with long-term conditions, palliative care needs and mental health problems. For parents with babies and young children and for over-75s, the service is especially invaluable, as it is for those in rural areas. In many parts of Scotland, the service is also desperately overstretched. Even before the pandemic, the chair of the British Medical Association's Scottish GP committee argued that

"the root cause of this is simply the fact that there are not enough GPs working in Scotland—and those who are, face such demanding workloads that adding out of hours is just a step too far."

That is an all-too-familiar theme. In 2015, the independent review of primary care out-of-hours services stated that

"serious GP shortages were compromising the sustainability of OOH services, which remain fragile and may worsen without resolute and urgent action."

Time and again, the Scottish Government has been warned about NHS workforce planning, by political parties and, more importantly, by the people who matter on the front line. Kemnay medical group in Aberdeenshire has lost four GPs. In the Kemnay community newsletter, staff from the surgery described

"a creaking system where the pressures on clinicians have continued to grow, the demand for our time has rocketed and political promises of help have failed to materialise".

They added that the national GP shortage is felt across Scotland but particularly in the north-east.

Emma Harper: Does Tess White agree that the ScotGEM—Scottish graduate entry medicine—programme, which is focusing on rural recruitment for GPs and is unique to Scotland, is helping us to get rural GPs?

Tess White: Yesterday, in the Health, Social Care and Sport Committee, we heard evidence that it is a step in the right direction but is really only scratching the surface. It is still not good enough—we cannot get enough GPs.

For example, Brechin medical practice is surviving with two GPs and regular locums, at significant cost; Inverbervie medical practice is struggling to meet demand; and some surgeries have not survived at all. I recently raised with the cabinet secretary the example of Friockheim health centre in Angus. The GP surgery achieved a 95.46 per cent positive score in the latest health and care experience survey, which was the highest across Tayside, yet it closed in May this year, displacing more than 3,000 patients. What was the reason for the closure? NHS Tayside wrote to patients to say:

"the main issue that is facing primary care and GP services is that there are not enough GPs."

People in the north-east and across Scotland are paying the price for years of poor workforce planning by the Scottish National Party Government. Now, the Government is playing catch-up, pledging 800 more GPs by 2027 in various phases, but it is abundantly clear that the NHS needs more GPs now to fill existing vacancies and to cope with increasing workload demands. The health secretary says that he is working relentlessly on the issue but, frankly, we are tired of his relentless excuses.

17:27

Carol Mochan (South Scotland) (Lab): I thank Alexander Stewart for bringing the debate to the chamber. It is right that we recognise the vital contribution that out-of-hours GP services make to healthcare provision across Scotland. It is also right that we stress how important it is for all regions of NHS Scotland, supported by the Scottish Government, to ensure that out-of-hours GP services not only continue to operate but continue to provide the highest levels of care. If members are absolutely honest and if they look at their inboxes, they will know that constituents are telling us that there is strain on GP services and GP out-of-hours services.

However, it is important to note the excellent work of our NHS staff in hospitals, primary care settings and the community. The work that they do always goes above and beyond expectation, particularly in recent times when people have needed that bit of extra help. As mentioned in the motion, the contribution of healthcare professionals, support staff, drivers and others must not be understated.

Primary care out-of-hours services are now embedded as a fundamental part of our healthcare provision in Scotland. Many of us remember our local GPs providing 24-hour cover. A variety of models were used but, for people like me who lived in a rural area, their own GP or GP practice staff attended if they called out a GP overnight. Of course, since then, there has been a wide variety of changes, with out-of-hours services coming under the control of the health boards in 2004. As we have heard from other members, that was in large part because of the increasing demand for services out of hours, with which the traditional models of provision could not cope.

However, it is important that we learn from the past. In my region, in Mauchline and Catrine, where I live, GP services such as Ballochmyle medical practice face significant challenges. A number of residents have contacted me who are waiting significant lengths of time for an appointment, who face challenges with the administration of prescriptions and lengthy telephone queues when they phone up, or who cannot get an appointment with a GP. Residents are finding it difficult to balance their lives with getting a GP appointment.

The pressure on day-to-day GP services is severe. Despite the best efforts of our workforce,

they clearly need to be more supported. We must ensure that that pressure does not spill over further into out-of-hours services, on which there is now a significant reliance to get some treatments. I repeat that we cannot forget the lessons of the past. We must ensure that there are sufficient resources to meet demand and that patients can access high-quality care in GP and out-of-hours GP services.

In the short time that I have left, I will focus on the work and commitment of all the staff groups that are under enormous pressure, which cannot be overstated. During the summer, I visited a number of services and staff groups across my South Scotland region who work in a variety of settings in the NHS. It is not an exaggeration to say that NHS staff across the board, from nursing staff, porters, caterers and cleaners to those working in GP practices, are exhausted and demoralised and feel undervalued by the current Government and the structures that are in place. Staff need a proper plan for pay, recruitment and wellbeing provision, and that includes those working in out-of-hours services. If the Government truly values our NHS and NHS staff, it will act.

In conclusion, I once again thank all those who contribute to the delivery of our out-of-hours GP services in my region of South Scotland and beyond. The work that they do is invaluable to ensure that people's medical needs are met in hours when others are perhaps not at work. I thank the member for bringing the debate to the chamber.

17:32

Brian Whittle (South Scotland) (Con): I thank my colleague Alexander Stewart for bringing this crucial and timely debate to the chamber.

It would be easy for me to take this opportunity to have a pop at the cabinet secretary and the Scottish Government and then just sit down. However, this crisis goes beyond politicking and point scoring. I will highlight what is happening at the coalface, which will not be easy listening for the cabinet secretary because I am sure that he is fully aware of the acute nature of the challenges that the health service faces and, therefore, he faces.

The level of GP services across Scotland is not uniform. In my area, I have reports of good levels of GP access in Troon, for example, but I am extremely worried about people's inability to see a GP in parts of South Lanarkshire. I know of people attempting to see a GP at certain practices who, after calling to make an appointment and being asked the nature of the issue, are told that a doctor will call them back, only to get a text later saying that they are seeing only emergency cases. I also know of a constituent who has been attempting to access a blood test for more than three months because of a persistent worrying symptom but who has yet to speak to a healthcare professional.

There is a chronic lack of GPs in certain areas, which, of course, has a huge knock-on effect for the out-of-hours GP service. If GPs cannot cover daytime surgeries, how can they be expected to deliver an effective out-of-hours service? Furthermore, the private sector is reporting that its waiting lists are growing ever longer, which is a symptom of those turning to that sector because of a lack of access to NHS services. What about those who do not have that route open to them, especially post-Covid, which has led to an inevitable backlog in non-Covid-related conditions such as cancers, elective surgery, dementia and so on? It is no wonder that A&E departments are under such pressure as the last resort to access healthcare.

This morning, I listened to the cabinet secretary on the radio suggesting that one of the issues with A&E waiting times is that people are arriving sicker than they did before. That is a symptom of not being able to access healthcare when their conditions were less acute. It is not just that, though. When we consider that Scotland has been the unhealthiest nation in Europe for some time, with the highest levels of obesity, drug and alcohol deaths, diabetes, heart conditions, reducing life expectancy and so on, it must be a concern that, in the cabinet secretary's own words, patients are getting even sicker.

The issues today are a symptom of policy decisions that were taken a decade or so ago. We have to accept that, given the cuts to nurse and midwife places, as well as the cap on Scottish applicants for medical school, which, of course, speaks to the shortage of GPs.

The reality is that there are no quick fixes either. There are many things that we could do to improve the situation while we look at a long-term strategy to support our NHS. That includes looking at workforce planning, which has been a recurring issue ever since I have been an MSP, improving the working environment and conditions, and helping our NHS staff to have the options of a healthier and more active lifestyle.

I have been a long-term advocate of planning to gradually move investment upstream into the more preventative agenda, thus improving the health of the nation, with all the benefits to communities and society that that would bring. That is not about saving money; it is about gradually redistributing money into other areas of healthcare as progress is made. The problem is that deploying that strategy takes much longer than a session of Parliament, which is something that Parliaments are just not good at dealing with. It is the biggest failing of this place, in my opinion. The Scottish Government has complete control over health, with the ability to do things differently and to innovate, yet our Governments have failed to do so.

The strain that GPs are under trying to deliver out-of-hours service is a symptom of that shorttermism. Perhaps this is an opportunity for the cabinet secretary to look at the long-term view for once to the benefit and sustainability of our NHS.

17:36

Monica Lennon (Central Scotland) (Lab): I will start by thanking Brian Whittle. When I bumped into him earlier today, he told me that this debate was happening. I was not due to speak as I have another event tonight. However, for every single member of this Parliament, the issue is at the heart of our inboxes, as Carol Mochan has said. It is what people come to our surgeries about and, frankly, it is something that we are all fearful about, because we and our families all rely on the NHS. I have been grateful to have care from my GP during the pandemic and in recent months, but I know many people have found it very hard to get face-to-face contact or even to get through on the phone.

I want to take the opportunity, like others have done, including Emma Harper, to thank everyone working across health and social care, including everyone in primary care, from the receptionist to the practice nurse and the GP. The NHS is a family and every part of it needs to be nurtured and looked after. We have a duty in Parliament to give people confidence and to show that we value the workforce. We certainly should not scare people or give people a sense that they will not get support from the NHS. However, we all know constituents who have had to endure long waits for ambulances and others who have waited on phone trying-dozens and sometimes the hundreds of times-to get through to out-of-hours services and NHS 24.

That is the reality. It would be good to keep it all positive, but we are living in scary times. We all do local press and use social media. The word "crisis" is perhaps overused, but I fear that what we are seeing right now in our NHS has become the new normal. We have become so desensitised to words such as "crisis" and "catastrophe" that it is hard to come to this place and feel that our words have meaning.

As someone who lives in and represents Lanarkshire, I worry that code black status is becoming the new normal for that area. We cannot allow that to happen. The cabinet secretary knows that I will work with him and his team and colleagues from all parties. Frankly, I do not care what party people belong to—the issue is bigger than any party, logo or soundbite, because the reality is that many of us fear getting ill. Many of my constituents cannot afford to go private and bypass the NHS. We have to fix things.

There are immediate things that we can do and there are longer-term things. We must show our constituents and the wider public in Scotland that we have a plan.

Audrey Nicoll (Aberdeen South and North Kincardine) (SNP): Does the member agree that the new triage models that GPs are introducing, which include the use of advanced nurse practitioners, for example, are stabilising daytime services in a GP practice and go some way to reducing the pressures on out-of-hours services? A GP in my constituency highlighted that to me recently.

Monica Lennon: Absolutely. It is important to hear about good practice and what is working well. However, when I listen to my constituents and people in my family who work in the NHS, it is clear that staff do not have time to go for a pee, never mind go to do extra training. There are people who want to advance and stay in our NHS, but they do not feel valued and they feel burned out. Although we have heard about additional recruitment and finding new people, we are losing people. We are not retaining the talent and the good people that we already have. I think that we all share those concerns.

I will finish by reminding the cabinet secretary that I emailed him again recently about the code black status in Lanarkshire in which I made an offer, on behalf of my constituents, to work with him and his team. We need to pull people together. I hope that, when the cabinet secretary makes his closing speech, we will hear that a date is in his diary and that that will be shared with colleagues soon.

17:41

The Cabinet Secretary for Health and Social Care (Humza Yousaf): I thank Alexander Stewart for bringing the debate to the chamber and I thank members for their contributions. I will try my best to get through as many of the concerns that have been raised as I can. I will start where most members did, and thank all of our GPs and all those involved in out-of-hours GP services right across the country—GPs, receptionists, allied health professionals and all the people who make up the multidisciplinary teams up and down the country.

I am pleased that Monica Lennon mentioned receptionists, because we know that they have

had a particularly tough time in GP practices. That is why we ran the GP receptionist campaign. Receptionists are not gatekeepers trying to keep people away from their GPs; they are asking questions to direct people to the right places. I know that can be a really difficult job and receptionists have done it fantastically well.

I will address the specific issues that Alexander Stewart raised about NHS Forth Valley in a second, but first I will pick up on some of the more general comments.

Emma Harper was absolutely right to put some context around this debate on out-of-hours GP services. There has been a transformation in outof-hours services, as described by Dr Buist in his excellent blog, which is worth a read. That is not to say that we should sit on our hands and say that everything is rosy-I am not suggesting that. People in this chamber know me well enough and have heard me say publicly enough times, whether this morning on the radio or in this chamber on many occasions, that I completely understand the level and depth of the significant challenge that our NHS in its broadest possible sense-and indeed social care-is currently under. Nobody in the Government-neither me nor the First Minister, in the many conversations that I have with her about the NHS-are under any illusion that somehow things are all rosy in the park. We know that there are significant challenges, including in out-of-hours services. That context is important.

I will turn to the specific points that Alexander Stewart asked about. I will be absolutely candid and up front: the out-of-hours service provided in Forth Valley is not good enough, and that is why, at the Forth Valley chief executive officer's invitation, Sir Lewis Ritchie—who is an expert on out-of-hours services—has been asked to review that service. The review is due to start early next month—on, I think, 5 October—and I will be pleased to furnish Alexander Stewart with more detail in writing once that review begins to kick in. I know Sir Lewis Ritchie well, and his approach with elected members has always been a very open one. I am sure that he would be happy to furnish Alexander Stewart with details of that review.

On action that has been taken, Forth Valley has an improvement plan in place, and we are monitoring all those actions very closely. It has recruited a GP to the out-of-hours service and an additional two GPs to the staff bank who will support the out-of-hours service. They are not site specific and will work across three sites in Forth Valley. It also has a GP on call to support the service.

However, it is important to note that the issue is not just about the GPs. It is clearly an out-of-hours service, so Forth Valley has recruited an advanced nurse practitioner and is looking to recruit another ANP. It is also working with the Scottish Ambulance Service, which now provides a paramedic to support the out-of-hours service on Saturdays and Sundays. Paramedic support for home visits in Forth Valley is working with SAS on advanced paramedic practitioner appointments. Lastly on the Forth Valley improvement plan, I note that from 3 October—just under a fortnight's time—a pool of drivers will be available to take patients to the out-of-hours service, most notably to support people from socially deprived areas who have no transport.

I hope that that gives a flavour of what is happening and at least some level of comfort and reassurance that nobody is sitting back and accepting the position in Forth Valley. Action is being taken. I am happy to talk offline to Mr Stewart about more detail of what is happening in Forth Valley, if he wishes.

On GPs more generally, nobody will get an argument from me when they talk about the issues of access to primary care that they are hearing from their constituents. I get that from constituents, family members and friends of mine. I know that access was an issue particularly when we were in the grip of the very difficult phases of the pandemic, when infection prevention control was at its highest and, therefore, there were real challenges in accessing GPs.

There are still challenges, and I raised this issue this morning when I met Dr Kennedy, the new chair of the BMA. We will have a broader meeting with more of his council members at a later date. He absolutely accepted that we will work collaboratively to increase, where clinically appropriate, more face-to-face services, although I think that we all agree that that should be part of a hybrid model. We should retain video consultation and phone consultation for those who want it. I prefer to use a phone consultation and have used it the past couple of times when I have been in contact with my GP. It means less inconvenience for me and less disruption to my day. However, that does not suit everybody, by any stretch of the imagination, so face-to-face appointments are very important indeed.

In response to a question from Kenneth Gibson a couple of weeks ago, I made the point that there is more work to be done with GP practices on prebookable appointments, which could make a significant difference. I note that the Secretary of State for Health and Social Care in England said something similar, so the problems are shared right across the United Kingdom.

On Scotland's own record on GPs, I would not disagree that we need more. That is why we have the 800 recruitment target, but we are not waiting

until 2027 for that 800. We are now recruiting, and we have recruited 277 GPs.

Brian Whittle: I think that the cabinet secretary knows that in the previous parliamentary session, I had the health portfolio and was on the Health and Sport Committee. Back then, we were 860-odd GPs short, and the previous cabinet secretary came up with the target to recruit 800 new GPs within the next decade. Audit Scotland said then that that did not take into account those who would retire, and that after those 10 years we would still be more than 650 GPs short. I suggest that that is going to be worse now, so perhaps it is time to reflect on that plan and look at it again.

Humza Yousaf: Brian Whittle makes a good point, and I thought that his contribution was very good. The issue is not just about recruitment; it is about retention, which a couple of members referenced. There is no point recruiting 800 into a leaky bucket and losing people at the other end. A lot of my conversation with Dr Kennedy this morning was about retention. I will say more in the coming couple of weeks, when I have a ministerial statement due, on retention in particular and what we can do to support retention of GPs. Scotland does comparatively well: we have 95 GPs per 100,000 people, in comparison to 78 in England, 80 in Wales and 75 in Northern Ireland.

I am aware that I am over time. I will end by responding to Carol Mochan's very important points about pay, staff burnout and wellbeing. Those things are of the highest priority. I am getting around the table with trade unions and I want to give a fair settlement—one that is affordable within our health budget, as of course it has to be—but I accept that their members have rejected our 5 per cent offer, so it is incumbent on us to come forward with an improved offer. Wellbeing is very high up on our agenda.

On Monica Lennon's point—I promise that I will end on this, Presiding Officer-multidisciplinary teams are very important, and we have recruited than 3.000 staff since 2018 into more multidisciplinary teams. Code black can never be the new normal and I will not allow it to be the new normal. Therefore, the exit plan for Lanarkshire out of code black is exceptionally important. I ask Ms Lennon to forgive me if a date has not been given to her. There has obviously been a disruption because of recent events, but I would expect that meeting to take place and a date to be sent to her and other Lanarkshire MSPs verv soon. I know that she wants to work collaboratively on the matter.

I will end by thanking our GPs and all the staff involved in GP out-of-hours services for the phenomenal work that they do and the lives that they save. They have not only this Government's full attention but our appreciation.

Meeting closed at 17:50.

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